

APPENDIX H

ECONOMIC IMPACT STATEMENT



Global Market Advisors

Economic Impact Statement For Wilton Rancheria July 2015

Prepared for:
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I. ENGAGEMENT OVERVIEW

The Wilton Rancheria (“Rancheria”) is considering three alternative sites for development of a casino resort in the southern Sacramento County area. The Wilton Rancheria retained Boyd Gaming as its management company for the Wilton Rancheria Casino Resort (“Project” or “Casino Resort” or “Development”). As part of the analysis of the opportunity facing the Wilton Rancheria, Global Market Advisors (“GMA”) was engaged to perform an Economic Impact Assessment as an appendix to the Environmental Impact Statement produced by Analytical Environmental Services (“AES”). This report examines and compares the impacts of the alternative locations, including preferred-scale impacts, reduced-scale impacts and impacts from an alternative development program at the preferred location.

The three alternative sites under consideration include:

- Preferred Site: A 282-acre site in the City of Galt, on agricultural land adjacent to the southbound side of CA 99 near the West Stockton Blvd/Mingo Road interchange.
- Historic Rancheria Site: a 75-acre agricultural site on the historic rancheria in Wilton, approximately 10 miles off CA 99 coming from the south (via Dillard Road) or 11.5 miles off CA 99 coming from the northwest/Sacramento (via Grant Line Road).
- Mall Site: a 28-acre commercially-zoned site at the Promenade Mall location in Elk Grove, at the intersection of CA 99 and Grant Line Road.

There are a total of six development options considered in this analysis, including three at the Preferred Site in Galt (Alternatives A, B and C), two at the Historic Rancheria Site (Alternatives D and E) and one at the Mall Site in Elk Grove (Alternative F). Alternatives A, D and F represent casino resorts at the proposed scale. Alternatives B and E represent reduced-scale casino developments, specifically omitting hotels and other ancillary resort amenities from the building programs. Alternative C allows for a retail development at the Preferred Site, rather than the development of the casino.

It is necessary to define an impacted region in order to calculate the economic impacts of development and operations for each of the six alternatives. There is no rule of thumb for this definition, as impacts would likely extend throughout central California and the Sacramento Valley, or could be examined more finitely at the host city or county level. In this analysis GMA focused its impact analysis on two separate geographic areas, the first of these in the two counties, and the second are the zip codes representing the City of Galt. These areas will likely serve as the source of the vast majority of the Project’s employees and vendors, Sacramento County and San Joaquin County (recognizing that all three development sites are in Sacramento



County, with Galt being very close to the county line).¹ These impacts are measured in terms of the net change in total spending, household incomes and full-time equivalent job creation in the two counties combined. GMA assumed the two-county region in its entirety as the appropriate area to consider for calculation of the economic impact, as both counties would be notably impacted. The analysis further distills the impacts of the two-county region by allocating the economic effects for each county individually. In addition, economic impacts are estimated for Galt separately. Fiscal impacts related to local sales taxes will also be examined.

GMA also considered substitution effects at the Sacramento MSA level in recognition of the fact that although there are no other casino gaming facilities in Sacramento County or San Joaquin County, there are several casinos that serve the regional market and likely have either employees or vendors that are based in Sacramento County (given that two, Thunder Valley and Cache Creek, are located in the Sacramento MSA). As a result, to the extent that some business may be reduced at other casinos within Sacramento County due to increased competition, the potential substitution effects at the MSA level are discussed. It is difficult, however, to precisely determine a net impact at the Sacramento County or Sacramento MSA level unless GMA made assumptions as to the breakdown of the Wilton Rancheria Project impacts between Sacramento and San Joaquin Counties, or competitive facility impacts only at the Sacramento County region. Therefore GMA limits the discussions on this subject to the regional substitution effects rather than an estimation of net effects.

¹ The main alternative GMA considered here were the impacts at the Metropolitan Statistical Area ("MSA") level, but it appeared to us to be an inferior approach. Sacramento and Stockton, which GMA would consider as the two potentially main feeder markets, are in different MSAs. The Stockton MSA is essentially San Joaquin County. However, Sacramento MSA extends far to the north and east of Sacramento County, into areas for which the Wilton Rancheria project would likely have negligible impacts, other than possibly some substitution effects with respect to other properties (El Dorado, Placer and Yolo Counties).



II. ECONOMIC AND DEMOGRAPHIC DATA

The following section provides an overview of the economic and demographic characteristics of Sacramento County and San Joaquin County, CA. GMA recognizes that all three alternative development locations are in southern Sacramento County, but neighboring San Joaquin County to the south would likely be a source of labor, goods and services for construction and operations, as well as a potentially major source of patronage. GMA therefore perceives positive economic impacts at the county level will not just be limited to Sacramento County.

To produce this document, interviews were conducted with regional labor and commerce departments to understand the local business and employment climate.

POPULATION

According to the 2010 U.S. Census, the State of California had a total population of 37.3 million in 2010, representing approximately twelve percent of the nation's population (308 million).² Sacramento County had a 2010 population of approximately 1.4 million, while San Joaquin County had a population of approximately 685,000, putting the combined 2010 Census population at 2.1 million.³ The statewide population growth from 2000 to 2010 was ten percent, a relatively slow pace relative to other western states, but roughly on pace with the overall U.S. growth of 9.7 percent.⁴ However, ten-year growth for Sacramento County (16.0 percent) and San Joaquin County (21.6 percent) was considerably faster than the statewide average.

Regional growth rates for the current decade as provided by the California Department of Finance are projected to be at a slower pace than the previous decade, consistent with national trends.⁵ In this analysis GMA examined 2010 historical data and five-year incremental projections made by the state at the county and statewide levels through 2020, along with U.S.

² U.S. Census website, <http://www.census.gov/2010census/>

³ California Department of Finance Demographic Research Unit website, http://www.dof.ca.gov/research/demographic/state_census_data_center/census_2010/#DP, accessed March 21, 2014.

⁴ U.S. Census website, <http://www.census.gov/prod/cen2010/briefs/c2010br-01.pdf>, accessed March 21, 2014. Other Western U.S. 2010/2000 rates: Nevada 35.1%, Arizona 24.5%, Utah 23.8%, Idaho 21.1%, Washington 14.1%, Oregon 12.0%.

⁵ California Department of Finance Demographic Research Unit website, <http://www.dof.ca.gov/research/demographic/reports/projections/p-1/>, accessed March 21, 2014.



Census five-year incremental forecasts for the national growth rate. The following table summarizes the total population estimates for the two counties, the Sacramento MSA, California statewide and the U.S., along with average annual growth rates for 2000-2010 and estimated average annual growth rates from 2010 through 2020.

Population Data					
Location	2010 Population	2015 Population Projection	2020 Population Projection	Average Annual Growth 2000-2010	Average Annual Growth 2010-2020
Sacramento County	1,420,434	1,477,479	1,543,522	1.49%	0.83%
San Joaquin County	686,588	725,884	810,845	1.97%	1.68%
Sacramento MSA	2,152,941	2,242,408	2,361,956	1.09%	0.93%
California	37,309,382	38,801,063	40,643,643	0.96%	0.86%
United States	308,745,538	321,363,000	333,896,000	0.93%	0.79%
Source: California Department of Finance Demographics Research Unit					

GMA should note that the state demographer's population forecasts may be omitting a key development in the region, from which patrons and a potential pool of labor may reside. The Southeast Policy Area in Elk Grove is a 1,200-acre site located adjacent to the west of the Mall Site, currently going through the planning process and public comment period. There are several alternative development scenarios proposed for inclusion in the area, each of which includes a sizable residential component (170 to 450 acres, with the smaller total representing a proposal for high-density residential and the higher acreage representing a mix of low, medium and high density residential development).⁶ The remaining acreage will include office space, retail and other commercial developments, along with public park areas and recreation facilities. The currently discussed development alternatives have several differences aside from the allotments of acreage to each land use. GMA considers it doubtful that the Census would have factored this development into the population projections; therefore, GMA views their forecast as conservative.

⁶ Elk Grove Planning Department website, <http://www.egplanning.org/projects/sepa/printables/sepa-concepts-a-b-c.pdf>, accessed March 17, 2014.



EMPLOYMENT DATA

Sacramento County and San Joaquin County have a combined labor force of approximately 980,000 with negligible volatility in that total since 2009. Unemployment rates in both counties have been steadily falling since 2010 as the region and the country have recovered from the economic downturn, though San Joaquin's unemployment rate is still over 10 percent (down from a peak of 17.3 percent in 2010 to a 2013 average of 12.8 percent). Through July 2014 the regional unemployment rates have continued to show significant year-over-year declines.

Sacramento County Labor Force Data 2009-2013						
	2009	2010	2011	2012	2013	Average Annual Growth 2009-2013
Labor Force	681,614	682,624	678,371	680,349	680,000	-0.1%
Employment	604,879	595,710	596,473	608,515	620,200	0.6%
Unemployment	76,735	86,914	81,898	71,834	59,800	-6.0%
Unemployment Rate	11.3%	12.7%	12.1%	10.6%	8.8%	-6.1%

Source: California Employment Development Department

San Joaquin County Labor Force Data 2009-2013						
	2009	2010	2011	2012	2013	Average Annual Growth 2009-2013
Labor Force	298,301	301,119	299,824	298,468	298,800	0.0%
Employment	252,808	249,063	249,341	253,204	260,400	0.7%
Unemployment	45,493	52,056	50,483	45,264	38,400	-4.1%
Unemployment Rate	15.3%	17.3%	16.8%	15.2%	12.8%	-4.4%

Source: California Employment Development Department

The first table above shows that the labor force of Sacramento County in 2013 was approximately 680,000. Currently (in July 2014), the labor force totals 681,200. At the Sacramento MSA level there are approximately 1.047 million persons in the civilian labor force (July 2014), of which approximately 969,700 are employed, representing a 7.4 percent MSA unemployment rate, down from 8.9 percent in July 2013.⁷ This unemployment rate is relatively

⁷ State of California Employment Development Department website, [http://www.calmis.ca.gov/file/lfmonth/sacr\\$pds.pdf](http://www.calmis.ca.gov/file/lfmonth/sacr$pds.pdf), accessed September 10, 2014.



consistent with Sacramento County's 7.7 percent rate for July 2014. There are therefore approximately 367,000 persons in the Sacramento MSA outside of Sacramento County that are in the MSA workforce. As noted above, GMA does not consider these other counties as potentially significant sources of labor supply for the Project at any of the three alternative sites.

The unemployment rates and sizes of the labor force in Sacramento County and San Joaquin County vary throughout the year, but less so than California's major agricultural counties due to the high volume of state workers in Sacramento, un-impacted by seasonal issues. San Joaquin County's employment is slightly more cyclical and farm-based, with a job boom in the late spring.

The following table summarizes monthly labor factors for these two counties for the last 12 months of available data. As noted in the table, the decline in unemployment rates for both counties from March to May of 2014 was sizable, but consistent with seasonal trends (February and March historically show higher than average rates, while May tends to be the annual lows). While rates climbed during the early summer months, this is a normal seasonal trend, noting that unemployment rates for both counties are down 1.5 percent or more from one year ago.

Regional Labor Data, Last 12 Months and YOY Comparison								
	Sacramento County				San Joaquin County			
	Labor Force	Employed	Unemployed	Unemployment Rate	Labor Force	Employed	Unemployed	Unemployment Rate
Aug-13	679,300	619,400	59,900	8.8%	299,500	263,400	36,100	12.1%
Sep-13	678,800	622,500	56,300	8.3%	299,500	265,700	33,800	11.3%
Oct-13	672,000	616,600	55,400	8.2%	295,400	261,000	34,400	11.6%
Nov-13	673,800	619,400	54,400	8.1%	292,600	256,700	35,900	12.3%
Dec-13	673,200	622,000	51,200	7.6%	292,700	257,600	35,100	12.0%
Jan-14	677,200	621,200	56,000	8.3%	296,500	257,500	39,000	13.2%
Feb-14	677,200	621,800	55,400	8.2%	296,800	257,900	38,900	13.1%
Mar-14	683,400	627,900	55,500	8.1%	298,700	259,700	39,000	13.1%
Apr-14	674,000	625,900	48,000	7.1%	293,000	259,000	34,000	11.6%
May-14	676,500	630,600	46,000	6.8%	303,800	272,800	31,000	10.2%
Jun-14	679,300	631,200	48,100	7.1%	300,100	2,668,700	31,400	10.5%
Jul-14	681,200	628,800	52,500	7.7%	297,800	264,800	33,000	11.1%
LTM Average	677,158	623,942	53,225	7.9%	297,200	262,067	35,133	11.8%
Jul-13	681,100	618,300	62,800	9.2%	297,600	259,600	38,000	12.8%

Source: California Employment Development Department



III. ECONOMIC IMPACT METHODOLOGY

GMA employed IMPLAN's Input-Output/Social Accounting Matrix Model ("I-O/SAM") to determine the economic impact of each alternative site and project.⁸ The Input-Output economic model depicts how the total output of each industry in an economy depends on inter-industry demands and final demands by putting transactions in a matrix framework. In other words, a tourism project like a casino has significant effects on other industries in its trade area. The I-O/SAM model measures those effects by using a series of multipliers. These multipliers consider all aspects of the input-output framework, including what inputs and outputs will come from the subject region. GMA defined the combined Sacramento County and San Joaquin County as the subject region being impacted, though GMA notes that the degree of impact on one county versus the other will depend both on the site to be developed (the two alternatives sites are further north in Sacramento County, and thus further from San Joaquin County than the Preferred Galt site) and where the developer/operator ultimately hires employees, construction firms and vendors. These are, of course, unknowns at this time and from an operational standpoint would likely vary over time.

In each of the six alternatives covered in this Economic Impact Analysis, the impacts will be felt in two phases. The first phase is the construction impact. These impacts are temporal in that they only are experienced during the construction phase of the project, with some ripple effects in the local economy for a short period after construction is completed. Ripple effects are essentially a multiplier effect, meaning that money earned by construction employees and materials suppliers will then be re-spent in the local economy, further benefiting other businesses in the region, as well as the benefits resulting from the incremental spending ability of those businesses, and so on. The second phase will result from operations, or an annual, ongoing impact. For each alternative, both the construction and the operating phase, GMA calculated the effects on Total Output, Wages and Number of Jobs generated. Throughout the Economic Impact Analysis, GMA refers to three effects: the Direct Effect, the Indirect Effect and the Induced Effect.

GMA based the operating impact forecasts on the financial ProForma analysis and staffing model developed by Boyd Gaming for each scenario. In GMA's analysis of impacts from operations, GMA considered the impacts of casino resort revenues, staffing and employee

⁸ IMPLAN, which stands for "Impact Analysis for PLANning," was developed by the USDA Forest Service. The Minnesota Implan Group (MIG) began work on the IMPLAN database in 1987 at the University of Minnesota. The MIG was formed as a private entity to develop and maintain IMPLAN data and software.



earnings as the Direct impacts. Indirect impacts are calculated based on the projected spending by the proposed Wilton Rancheria Casino Resort on goods and services, as well as the ripple effects that result from this spending. Induced impacts are calculated through the IMPLAN model based on changes in consumption, driven off the casino employee earnings and the earnings of businesses benefiting from the indirect expenditures.



IV. PREFERRED SITE ALTERNATIVES – SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY IMPACTS

The following section illustrates the projected economic impacts of construction and operations of three development alternatives at the Preferred Site in Galt. Alternative A is the Proposed Action. Alternative B is the Reduced Scale option. Alternative C considers an alternative use for the site, developing the property as a retail mall.

SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY BIFURCATION

In order to estimate the breakdown of labor and purchases of goods and services between Sacramento and San Joaquin Counties, GMA assessed drive-time demographics around the Preferred Site. Drive time bands of 0 to 15 minutes and 15 to 30 minutes were used to determine the number of residents from each respective county in relation to the Preferred Site. The following table illustrates the results of this analysis.

Preferred Site - Drive Time Band Residents					
Drive Time Band	Sacramento Residents	Sacramento as % of Total	San Joaquin Residents	San Joaquin as % of Total	Total Population
0-15 Minutes	82,935	77%	24,807	23%	107,742
15-30 Minutes	844,421	75%	285,059	25%	1,129,480
Source: GMA					

There were a total of 107,742 residents located within a 15 minute drive time to the Preferred Site, of which 77 percent were from Sacramento County and 23 percent were from San Joaquin County as of 2013. A total of 1.13 million people resided within a 15 to 30 minute drive time, of which 75 percent were from Sacramento County and 25 percent were from San Joaquin County as of 2013.

From a construction labor and labor cost standpoint, GMA assumed for purposes of this analysis that the split of labor would be divided comparably to the drive time breakdown. Given that the site is located in Sacramento County, Galt residents may have the greatest opportunity to fill the jobs therefore slightly favoring the split for Sacramento County. However, GMA notes that until it is clear where the construction contractor is based, it is possible that the breakdown of spending and labor between the counties would not reflect the demographic densities. GMA estimates the county split for economic impacts during the construction phase at 80/20 in favor of Sacramento County.



A slightly more even percentage split of 75/25 is utilized when considering casino resort operational impacts, as there was a substitution effect of Sacramento County casinos built into the model. Therefore, new jobs for San Joaquin County residents would likely be all new to the industry, while some of the Sacramento County resident jobs will be diverted from other operations.

The degree of difficulty increases when estimating the source of the retail diversion. In the analysis, GMA estimated that only 25% to 35% of the spending would be new to the region. GMA maintains the application of the 80/20 impact percentages given that there is not a retail venue in one county that gets inordinately impacted.

ALTERNATIVE A – PROPOSED ACTION

Alternative A addresses the economic impact associated with developing a casino resort on the north side of the City of Galt on a 282-acre site, facing the southbound side of Highway 99, bounded by Twin Cities Road to the south and tracks of the Union Pacific Railroad to the west (there is no notable landmark delineating the northern boundary of the proposed site). GMA assumed the facility to be appropriately sized to maximize the potential of its gaming, lodging and food and beverage functions. The overall development will include a gaming facility offering 2,000 Class III electronic gaming devices, 92 Class III table games and 24 poker tables, a hotel with 302 guest rooms, nine restaurant venues covering 36,775 square feet, a multi-use space capable of seating 2,000 persons for entertainment, a spa and retail space.

CONSTRUCTION IMPACTS

The first phase of the economic impact will be the construction phase. As discussed above, construction employment and spending is only temporary, but it can have substantial impacts on the economy. Boyd Gaming anticipates the construction phase will last for a period of approximately 16 months. GMA notes that employment counts below are presented in terms of man-years of employment.

CONSTRUCTION BUDGET

The impacts of construction are provided in the following section. In order to ensure a conservative analysis, investments in construction activities are anticipated to remain within the region at the same proportion as similar investments have historically remained within the region as calculated by IMPLAN. Construction expenditures generally fall into several different categories, each of which has some local and non-local components. Hard costs reflect the actual construction materials and labor. Soft costs reflect architectural services, other professional services, financing costs, start-up expenses and other non-material expenses. Additionally Furnishing, Fixtures and Equipment (FF&E) are included, as are Operating Supplies



and Equipment (OS&E). Notably, FF&E expenses generally include non-leased gaming equipment, which typically would be a non-local purchase. Similarly, soft costs for professional services such as architects may not have a regional economic impact.

The following table outlines the projected development cost for the casino resort, based on input provided to GMA by Boyd Gaming, presented in 2014 dollars. Based on the cost breakdown by element, GMA estimates that \$282 million of the \$342 million will be spent regionally, with the balance being imported FF&E, non-local professional fees or financing costs.

Projected Development Costs	
Construction and Site Work	\$241,712,374
General Conditions and Fee	\$24,856,280
Soft Costs	\$17,361,005
FF&E	\$49,173,222
OS&E	\$8,521,419
Total	\$341,624,300
Source: Boyd Gaming	

TOTAL OUTPUT

Total output measures the value of goods and services that go into the construction of the casino resort, together with the induced and indirect impacts in the regional economy. The direct impact from construction related activities and local procurement of FF&E and OS&E is estimated at \$282 million. The indirect outputs resulting from development are estimated at \$72 million. The generation of direct and indirect employment increases household incomes in the region. As a result, there will be an increase in consumption for the region. The increase in consumption, or induced output, is estimated at \$80 million. Overall, GMA projects that a total of approximately \$434 million in economic output would be generated within the Sacramento County and San Joaquin County region during the construction phase of Alternative A. The table below summarizes these benefits, in 2014 dollars.



Alternative A: Total Output from Casino Resort Construction

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$295,300	\$176,333	\$471,633
21 Mining	\$0	\$140,248	\$69,610	\$209,858
22 Utilities	\$0	\$965,352	\$1,063,479	\$2,028,831
23 Construction	\$266,568,642	\$667,695	\$477,377	\$267,713,715
31-33 Manufacturing	\$9,474,954	\$7,961,839	\$1,346,317	\$18,783,109
42 Wholesale Trade	\$933,503	\$6,855,241	\$3,647,320	\$11,436,064
44-45 Retail trade	\$0	\$1,419,963	\$10,312,605	\$11,732,567
48-49 Transportation & Warehousing	\$0	\$2,768,106	\$1,547,635	\$4,315,741
51 Information	\$0	\$6,090,737	\$3,947,370	\$10,038,106
52 Finance & insurance	\$0	\$6,930,419	\$8,445,957	\$15,376,376
53 Real estate & rental	\$0	\$5,120,067	\$19,012,343	\$24,132,410
54 Professional- scientific & tech svcs	\$4,992,201	\$22,127,752	\$2,982,219	\$30,102,171
55 Management of companies	\$0	\$1,392,276	\$449,170	\$1,841,446
56 Administrative & waste services	\$0	\$4,169,029	\$1,791,131	\$5,960,160
61 Educational svcs	\$0	\$16,669	\$1,534,997	\$1,551,666
62 Health & social services	\$0	\$2,127	\$13,352,629	\$13,354,757
71 Arts- entertainment & recreation	\$0	\$321,679	\$1,190,239	\$1,511,918
72 Accommodation & food services	\$0	\$1,213,271	\$4,354,505	\$5,567,776
81 Other services	\$0	\$3,177,602	\$4,034,452	\$7,212,054
92 Government & non NAICs	\$0	\$314,428	\$713,906	\$1,028,335
TOTAL	\$281,969,300	\$71,949,799	\$80,449,594	\$434,368,693

Source: IMPLAN

These impacts will be felt in the combined Sacramento County and San Joaquin County area. GMA notes that while there are approximately 1.5 million residents in Sacramento County and approximately 726,000 residents in San Joaquin County. From a drive-time perspective, there were 107,742 people residing within 15 minutes of the Preferred Site in 2013, of which 77 percent resided in Sacramento County. There were 1.13 million people residing 15 to 30 minutes from the Preferred Site, of which 75 percent resided in Sacramento County. Given that Galt itself is in Sacramento County, GMA assumes that the split of economic impacts between the two counties would be at least 75/25 in favor of Sacramento County. This would be especially true from a labor and earnings perspective, but not necessarily so from a construction spending standpoint. If the general contractor was San Joaquin-based rather than Sacramento-based, it is conceivable that the ratio would be much closer to 50/50.



TOTAL JOBS (MAN YEARS)

The following table summarizes the number of man-years of employment that could be generated as a result of development of the Wilton Rancheria Casino Resort in Galt. The direct impact of construction is expected to generate 1,695 man-years of employment. An additional 467 man-years of employment are projected to be generated through indirect impacts and 589 man-years through induced impacts. In total, the construction phase is projected to create 2,751 man-years of employment.

Alternative A: Total Employment Impact from Casino Resort Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	2
21 Mining	0	0	0	0
22 Utilities	0	1	1	2
23 Construction	1,619	4	3	1,627
31-33 Manufacturing	26	25	3	54
42 Wholesale Trade	5	32	17	54
44-45 Retail trade	0	17	125	142
48-49 Transportation & Warehousing	0	20	12	31
51 Information	0	14	11	25
52 Finance & insurance	0	28	36	64
53 Real estate & rental	0	24	30	53
54 Professional- scientific & tech svcs	45	167	21	233
55 Management of companies	0	7	2	9
56 Administrative & waste services	0	68	28	96
61 Educational svcs	0	0	23	23
62 Health & social services	0	0	121	121
71 Arts- entertainment & recreation	0	5	20	25
72 Accommodation & food services	0	20	71	90
81 Other services	0	32	61	93
92 Government & non NAICs	0	2	5	7
TOTAL	1,695	467	589	2,751
* Numbers may not sum to total due to rounding				
Source: IMPLAN				

As a result of the indirect and induced expenditures, the jobs created during the construction process will be in a variety of industries, naturally led by construction-related employment. Based on the IMPLAN model results, GMA projects that architectural, engineering and related services will be the second most impacted industry from a labor perspective, followed by food



service and drinking places, wholesale trade businesses, real estate establishments, employment services, health practitioner offices and retail stores.

As noted in the total output discussion, based on drive-times to the Preferred Site, it is reasonable to expect the vast majority of these jobs would accrue to Sacramento County residents. An 80/20 split could be anticipated, such that approximately 2,200 of the 2,751 man-years of employment would accrue to Sacramento County residents and 551 to San Joaquin County residents.

TOTAL LABOR INCOME

The total labor income that will be generated during the construction phase in Alternative A is summarized in the following table. As a result of the creation of the direct jobs, \$114 million in labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total approximately \$29 million. Incremental regional consumption attributable to these earnings is projected to create an induced impact of \$28 million in regional earnings, for a total regional labor income growth of \$170 million.



Alternative A: Household Earnings Impact from Casino Resort Construction

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$92,906	\$83,758	\$176,664
21 Mining	\$0	\$15,954	\$7,027	\$22,981
22 Utilities	\$0	\$174,065	\$193,985	\$368,050
23 Construction	\$109,960,387	\$299,328	\$196,869	\$110,456,583
31-33 Manufacturing	\$1,009,488	\$1,700,271	\$185,535	\$2,895,295
42 Wholesale Trade	\$325,774	\$2,355,854	\$1,253,428	\$3,935,056
44-45 Retail trade	\$0	\$689,187	\$4,845,739	\$5,534,926
48-49 Transportation & Warehousing	\$0	\$1,244,921	\$733,800	\$1,978,721
51 Information	\$0	\$1,006,366	\$681,174	\$1,687,540
52 Finance & insurance	\$0	\$1,754,872	\$2,602,562	\$4,357,435
53 Real estate & rental	\$0	\$699,857	\$431,679	\$1,131,536
54 Professional- scientific & tech svcs	\$2,392,856	\$12,985,639	\$1,392,053	\$16,770,549
55 Management of companies	\$0	\$679,532	\$219,227	\$898,759
56 Administrative & waste services	\$0	\$2,491,795	\$1,022,792	\$3,514,587
61 Educational svcs	\$0	\$8,890	\$820,097	\$828,986
62 Health & social services	\$0	\$1,171	\$8,089,016	\$8,090,187
71 Arts- entertainment & recreation	\$0	\$132,665	\$476,308	\$608,973
72 Accomodation & food services	\$0	\$452,347	\$1,626,517	\$2,078,864
81 Other services	\$0	\$2,121,830	\$2,329,097	\$4,450,927
92 Government & non NAICs	\$0	\$197,128	\$421,298	\$618,426
TOTAL	\$113,688,505	\$29,104,578	\$27,611,962	\$170,405,045

Source: IMPLAN

As noted in the total jobs discussion, the drive-times would likely result in a labor split of 80 percent coming from Sacramento County and 20 percent from San Joaquin County, resulting in 2,200 man-years accruing to Sacramento County and 551 to San Joaquin County. As a result, the \$170.4 million in total earnings would likely be split with \$136.3 million accruing to Sacramento County residents and \$34.1 million to San Joaquin County residents.

OPERATIONAL IMPACTS

Based on visitation and demand projections for Alternative A, GMA estimated the economic impacts from ongoing operations. This analysis took into consideration potential substitution effects in Sacramento County with respect to casino visitation, as some of the visitation may come at the expense of other regional casinos. GMA does not anticipate net substitution effects with respect to retail, food and beverage ("F&B") or hotel venues, as there will likely be some spillover benefits from gamers and casino resort workers patronizing local businesses, potentially resulting in revenue growth for each of those venues.



Impacts are estimated based on ProForma results and a staffing model created by Boyd Gaming for the first stabilized year of operation, assumed to be 2019 (with the assumption of an opening year of 2017), as well as substitution effects for two area casinos, Cache Creek and Thunder Valley. Boyd projects gross resort revenues of \$449 million in 2019, not including gratuities or taxes. Operationally, Boyd forecasts that the resort will spend approximately \$68 million on salaries and wages, not including labor burden, supporting employment of 2,014 persons (full time equivalents, or “FTE’s”). Incremental to the ProForma calculations is Boyd’s estimate of an additional \$27 million in income in the form of gratuities for casino, hotel, F&B and spa employees.⁹ The household incomes, along with the other casino resort expenditures made possible by the casino resort revenues, constitute the gross direct impacts of operations (substitution effects, as discussed below, will provide a net direct impact).

GMA netted out from a substitution effect standpoint the potential decline in non-gaming expenditures by patrons (specifically the change in cost of goods sold and gratuity income) at Cache Creek and Thunder Valley, each of which may be impacted by a Wilton Rancheria Casino. GMA estimates the impact with respect to total gaming and non-gaming patron spending will be approximately \$44 million, assuming a similar ratio of non-gaming to gaming expenditure at those properties (non-gaming equating to approximately 15 percent of gross resort revenues) as was projected for the Wilton Rancheria Casino Resort in Alternative A. This could also reflect a \$2.1 million impact in terms of the casinos’ aggregate input purchases (cost of goods sold) and approximately \$2.7 million in terms of gratuity income. GMA does not anticipate that this would have an impact on other purchasing or staffing of those facilities. GMA recognizes that there are other casinos in the market area, but not located in Sacramento or San Joaquin Counties. While some purchases by the casino resorts from outside of these counties may take place in Sacramento or San Joaquin Counties, GMA estimates that those impacts would be negligible.

This section of the report outlines the total output, jobs, labor income and fiscal impact of Alternative A operations, as calculated using the IMPLAN model.

⁹ Dealer gratuities will equate to 40 percent of casino employee salaries and wages, F&B gratuity will equate to 17.5 percent of F&B revenue, Hotel gratuity will equate to \$3 per occupied room night and spa gratuity will equate to 15 percent of spa revenues.



TOTAL OUTPUT

Direct output measures the total spending by the casino resort, including labor income from gratuities, net of any changes at other properties as a result of a substitution effect. The net direct impact from casino resort operation is estimated at \$279 million. The indirect output resulting from operation, which emanate from economic activities of casino suppliers and have a ripple effect in the regional economy, are estimated at \$69 million. The induced spending, reflecting increased consumption attributable to the direct and indirect earnings, is projected to result in \$67 million of output. Overall, GMA projects that approximately \$415 million in economic output would be generated within the Sacramento County and San Joaquin County region annually once the casino resort in Galt is operational, in 2019 dollars.

The following table demonstrates the industries that get impacted as a result of operational spending and employee spending, or the ripple effects in the economy.

Alternative A: Total Annual Output Economic Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$110,261	\$136,868	\$247,129
21 Mining	\$0	\$121,562	\$61,654	\$183,216
22 Utilities	\$0	\$2,514,820	\$880,582	\$3,395,402
23 Construction	\$0	\$1,170,167	\$378,200	\$1,548,367
31-33 Manufacturing	\$0	\$1,985,991	\$1,075,718	\$3,061,709
42 Wholesale Trade	\$0	\$1,535,647	\$2,845,934	\$4,381,581
44-45 Retail trade	\$1,716,430	\$263,461	\$8,261,254	\$10,241,146
48-49 Transportation & Warehousing	\$0	\$1,774,511	\$1,255,232	\$3,029,743
51 Information	\$0	\$9,780,041	\$3,212,605	\$12,992,646
52 Finance & insurance	\$0	\$5,983,880	\$6,959,898	\$12,943,778
53 Real estate & rental	\$0	\$5,347,256	\$16,088,990	\$21,436,245
54 Professional- scientific & tech svcs	\$0	\$18,276,411	\$2,578,863	\$20,855,274
55 Management of companies	\$0	\$5,440,515	\$388,088	\$5,828,603
56 Administrative & waste services	\$0	\$6,414,680	\$1,503,212	\$7,917,892
61 Educational svcs	\$0	\$17,348	\$1,257,099	\$1,274,447
62 Health & social services	\$0	\$16,137	\$11,529,200	\$11,545,337
71 Arts- entertainment & recreation	\$235,797,504	\$2,087,197	\$1,009,898	\$238,894,598
72 Accommodation & food services	\$41,417,910	\$1,937,285	\$3,630,618	\$46,985,813
81 Other services	\$0	\$3,047,426	\$3,337,475	\$6,384,901
92 Government & non NAICs	\$0	\$1,328,640	\$605,183	\$1,933,823
TOTAL	\$278,931,844	\$69,153,234	\$66,996,573	\$415,081,651
Source: IMPLAN				

GMA notes that it included the impacts on Thunder Valley and Cache Creek on these estimates, despite the fact that they cover a slightly different geography – these two casinos compete in the Sacramento MSA and Sacramento County, but less so in San Joaquin County. The impacts



shown above for Wilton reflect benefits to San Joaquin and Sacramento Counties. This may slightly overstate the indirect substitution effects, as some of the decline in spending at Thunder Valley and Cache Creek would be felt in other regional counties. However, for the purpose of alternative scenario comparison consistency, this methodology provides a fair and reasonable depiction.

As noted in the construction phase, the drive-time model suggests that at least 75 percent of the impact may be felt in Sacramento County, with less than 25 percent accruing to San Joaquin County. The presence of stores and service providers in the town of Galt could make this percentage even higher. Also, notably, F&B goods supplier Sysco is located in Sacramento County, serving a broad geographical area (GMA does not suggest there is a contract in place with Sysco, but they are an industry leader in food service supplies). It is noted, however, that the model also assumes substitution away from some Sacramento County casinos. As a result, this potential impact is discounted back to 75/25 to account for this diversion. Based on a 75/25 split of the outputs between the two counties, approximately \$311 million of the Total Output would be in Sacramento County and \$104 million in San Joaquin County.

TOTAL JOBS (FULL-TIME EQUIVALENT)

The following table summarizes the total employment (Full-Time Equivalent, or “FTE”) that is estimated to be generated as a result of the operation of the Wilton Rancheria Casino Resort in Galt. The direct impact of operation reflects the staffing level of the resort. Based on GMA’s staffing models, together with input from Boyd Gaming, GMA projects this to equate to 2,014 jobs. An additional 428 jobs are projected to be generated through indirect impacts and 437 jobs through induced impacts. In total, the operation of a casino resort at Alternative A scale in Galt is projected to generate the full-time equivalent of 2,879 new jobs. As noted earlier in this section, GMA does not project any substitution effect with respect to employment changes at other regional casino businesses as a result of the addition of the Wilton Rancheria Casino Resort to the market.



Alternative A: Total Annual Employment Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	2
21 Mining	0	0	0	0
22 Utilities	0	3	1	3
23 Construction	0	7	2	9
31-33 Manufacturing	0	6	2	8
42 Wholesale Trade	0	7	13	20
44-45 Retail trade	50	3	93	145
48-49 Transportation & Warehousing	0	13	9	22
51 Information	0	34	8	42
52 Finance & insurance	0	23	26	50
53 Real estate & rental	0	22	22	44
54 Professional- scientific & tech svcs	0	106	16	121
55 Management of companies	0	23	2	25
56 Administrative & waste services	0	88	21	109
61 Educational svcs	0	0	17	17
62 Health & social services	0	0	90	90
71 Arts- entertainment & recreation	1,261	25	15	1,301
72 Accommodation & food services	703	28	52	783
81 Other services	0	29	45	74
92 Government & non NAICs	0	10	4	13
TOTAL	2,014	428	437	2,879
Source: IMPLAN				

As evident from the table above, there are approximately 865 jobs that will be created outside of the casino through indirect and induced spending. Based on the IMPLAN results, the major industries that will be indirectly impacted will be business support services, wholesale trade, food and drinking places, advertising services and several industry categories related to health care (ranging from doctors' offices to elderly care facilities). This final category is significant, as increasing the wealth and employment status of a region enables families to avail themselves of quality healthcare. Assuming a 75/25 split of total job creation between the two counties, there would be 2,159 created for Sacramento County residents and 719 for San Joaquin County residents.

TOTAL LABOR INCOME

The net total labor income that could be generated annually as a result of casino resort operations in Alternative A is summarized in the following table. As a result of the creation of the net new direct jobs, \$93 million in annual labor income is projected to accrue to Sacramento County and San Joaquin County residents, including consideration of lost gratuity income at Thunder Valley and Cache Creek. Net indirect wages in other sectors are projected to total \$26 million, while incremental regional consumption attributable to these direct and



indirect earnings are projected to create an induced impact of \$23 million. As a result, the casino resort is projected to be able to sustain growth in total regional labor income of \$141 million.

Alternative A: Total Annual Labor Income Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$33,546	\$69,116	\$102,662
21 Mining	\$0	\$11,299	\$5,821	\$17,119
22 Utilities	\$0	\$463,204	\$160,895	\$624,099
23 Construction	\$0	\$545,374	\$162,131	\$707,505
31-33 Manufacturing	\$0	\$371,304	\$153,093	\$524,397
42 Wholesale Trade	\$0	\$562,820	\$1,043,046	\$1,605,866
44-45 Retail trade	\$1,441,189	\$130,918	\$3,975,302	\$5,547,409
48-49 Transportation & Warehousing	\$0	\$923,309	\$601,383	\$1,524,692
51 Information	\$0	\$2,508,768	\$562,567	\$3,071,335
52 Finance & insurance	\$0	\$1,984,156	\$2,132,951	\$4,117,107
53 Real estate & rental	\$0	\$370,473	\$360,144	\$730,617
54 Professional- scientific & tech svcs	\$0	\$7,499,407	\$1,142,771	\$8,642,178
55 Management of companies	\$0	\$2,535,824	\$180,888	\$2,716,711
56 Administrative & waste services	\$0	\$3,517,306	\$842,103	\$4,359,409
61 Educational svcs	\$0	\$9,240	\$661,470	\$670,710
62 Health & social services	\$0	\$8,679	\$6,686,161	\$6,694,840
71 Arts- entertainment & recreation	\$67,919,960	\$650,590	\$389,921	\$68,960,472
72 Accomodation & food services	\$23,369,467	\$713,323	\$1,338,006	\$25,420,796
81 Other services	\$0	\$2,198,049	\$1,910,696	\$4,108,745
92 Government & non NAICs	\$0	\$977,163	\$346,431	\$1,323,594
TOTAL	\$92,730,616	\$26,014,752	\$22,724,897	\$141,470,265
Source: IMPLAN				

Assuming a 75/25 split of labor income between the two counties, there would be approximately \$106 million in incremental earnings to Sacramento County residents and \$35 million for San Joaquin County residents.

FISCAL IMPACT

There will be fiscal impacts resulting from the construction and operation of the casino resort at the local, county, state and federal levels from a variety of taxes. In some cases there may be tax exemptions due to purchases by the Rancheria. The IMPLAN model creates a projection of the total taxes, such that these discounts are not reflected in the resulting tables. The state and local taxes during the construction phase are projected to total \$16.9 million, the majority of which would be taxes on construction materials and property taxes. An additional \$30.0 million would be paid in federal taxes. The following tables detail tax revenues during the construction phase for Alternative A.



Alternative A: State and Local Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$32,020	\$32,020
Social Ins Tax- Employee Contribution	\$409,664	\$0	\$0	\$0	\$0	\$409,664
Social Ins Tax- Employer Contribution	\$805,441	\$0	\$0	\$0	\$0	\$805,441
Tax on Production and Imports: Sales Tax	\$0	\$0	\$4,914,316	\$0	\$0	\$4,914,316
Tax on Production and Imports: Property Tax	\$0	\$0	\$4,339,093	\$0	\$0	\$4,339,093
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$107,400	\$0	\$0	\$107,400
Tax on Production and Imports: Severance Tax	\$0	\$0	\$3,118	\$0	\$0	\$3,118
Tax on Production and Imports: Other Taxes	\$0	\$0	\$733,088	\$0	\$0	\$733,088
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$67,414	\$0	\$0	\$67,414
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$672,117	\$672,117
Personal Tax: Income Tax	\$0	\$0	\$0	\$3,947,165	\$0	\$3,947,165
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$554,516	\$0	\$554,516
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$166,722	\$0	\$166,722
Personal Tax: Property Taxes	\$0	\$0	\$0	\$62,533	\$0	\$62,533
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$38,052	\$0	\$38,052
Total State and Local Tax	\$1,215,106	\$0	\$10,164,430	\$4,768,986	\$704,137	\$16,852,659

Source: IMPLAN

Alternative A: Federal Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$5,902,106	\$1,005,243	\$0	\$0	\$0	\$6,907,349
Social Ins Tax- Employer Contribution	\$7,692,477	\$0	\$0	\$0	\$0	\$7,692,477
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$860,073	\$0	\$0	\$860,073
Tax on Production and Imports: Custom Duty	\$0	\$0	\$340,976	\$0	\$0	\$340,976
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$97,712	\$0	\$0	\$97,712
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$2,960,463	\$2,960,463
Personal Tax: Income Tax	\$0	\$0	\$0	\$11,208,006	\$0	\$11,208,006
Total Federal Tax	\$13,594,583	\$1,005,243	\$1,298,761	\$11,208,006	\$2,960,463	\$30,067,056

Source: IMPLAN

Annually during the operations phase, \$13.8 million in state and local taxes, and \$31.3 million in federal taxes resulting from indirect and induced spending are projected. Sales taxes, property taxes, other taxes, and State/Local non-taxes have been adjusted by the ratio of indirect and induced output to the total output at the state and local level. This adjustment reflects the exemption status of direct spending occurring at the facility. There would be additional state and federal tax revenues from incomes of casino resort workers, not accounted for in the IMPLAN model. To the extent that any purchases made at the resort will be taxable (i.e. if a



bed occupancy tax is considered), this would also not be represented in these figures. The following tables detail annual tax revenues during the operations phase for Alternative A.

Alternative A: State and Local Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$67,472	\$67,472
Social Ins Tax- Employee Contribution	\$387,629	\$0	\$0	\$0	\$0	\$387,629
Social Ins Tax- Employer Contribution	\$762,118	\$0	\$0	\$0	\$0	\$762,118
Tax on Production and Imports: Sales Tax	\$0	\$0	\$3,482,913	\$0	\$0	\$3,482,913
Tax on Production and Imports: Property Tax	\$0	\$0	\$3,075,237	\$0	\$0	\$3,075,237
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$232,060	\$0	\$0	\$232,060
Tax on Production and Imports: Severance Tax	\$0	\$0	\$6,737	\$0	\$0	\$6,737
Tax on Production and Imports: Other Taxes	\$0	\$0	\$519,560	\$0	\$0	\$519,560
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$47,779	\$0	\$0	\$47,779
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$1,416,259	\$1,416,259
Personal Tax: Income Tax	\$0	\$0	\$0	\$3,212,236	\$0	\$3,212,236
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$451,269	\$0	\$451,269
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$135,679	\$0	\$135,679
Personal Tax: Property Taxes	\$0	\$0	\$0	\$16,692	\$0	\$16,692
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$10,157	\$0	\$10,157
Total State and Local Tax	\$1,149,747	\$0	\$7,364,285	\$3,826,034	\$1,483,731	\$13,823,796

Source: IMPLAN

Alternative A: Federal Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$5,584,642	\$229,652	\$0	\$0	\$0	\$5,814,294
Social Ins Tax- Employer Contribution	\$7,278,712	\$0	\$0	\$0	\$0	\$7,278,712
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$1,858,367	\$0	\$0	\$1,858,367
Tax on Production and Imports: Custom Duty	\$0	\$0	\$736,749	\$0	\$0	\$736,749
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$211,128	\$0	\$0	\$211,128
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$6,238,174	\$6,238,174
Personal Tax: Income Tax	\$0	\$0	\$0	\$9,121,169	\$0	\$9,121,169
Total Federal Tax	\$12,863,354	\$229,652	\$2,806,244	\$9,121,169	\$6,238,174	\$31,258,593

Source: IMPLAN

POPULATION/LABOR IMPACT

Given that the casino resort is projected to create 2,751 man-years of employment temporarily during the construction phase and 2,014 permanent positions once operational, GMA can consider how those increases in employed persons would affect the population and economy as a whole. The total jobs impact once operational, including indirect and induced jobs, is projected to be 2,879. Currently, the combined population in Sacramento County and San Joaquin County is 2.1 million, likely to increase to 2.3 million by the end of the decade. The combined labor force for the past five years has been approximately 980,000, with negligible variance, but could easily reach one million if the population grows at the projected rate. The combined level of unemployment for the two counties for the last 12 months averaged



approximately 88,300 (see Economic and Demographic Data section above), down from a recent peak of 139,000 in 2010, such that there is an ample labor pool to support the venue and the related ripple effects, potentially lowering the regional unemployment rate by up to 0.3 percent. In GMA's experience, the change in local unemployment levels are generally smaller than the potential, as some individuals re-enter the labor market, move from part-time work or underemployment to one of these jobs (thus considered already as being employed), move into the area, or are able to eliminate lengthy, out-of-county commutes by taking jobs (at the casino resort, or at an impacted business) closer to home.

ALTERNATIVE B – REDUCED INTENSITY

This scenario addresses the economic impact associated with developing a smaller-scale project on the 282-acre Galt site. The reduced-scale development does not have a hotel, spa, entertainment space or pool area, but all other parameters regarding development are the same as Alternative A.

CONSTRUCTION IMPACTS

As discussed in the previous alternative, construction employment and spending is only temporary, but it can have substantial impacts on the economy. The following analysis details the project budget and resulting spending, jobs and earnings impacts of development of a reduced-scale casino development at the Galt site.

CONSTRUCTION BUDGET

The following table outlines the projected development cost and parameters for a reduced-scale casino in Galt, based on input provided to GMA by Boyd Gaming, presented in 2014 dollars.

Projected Development Costs	
Construction and Site Work	\$146,934,633
General Conditions and Fee	\$15,109,894
Soft Costs	\$17,161,005
FF&E	\$39,363,945
OS&E	\$7,296,560
Total	\$225,866,037
Source: Boyd Gaming	



TOTAL OUTPUT

Based on the cost breakdown by element, GMA estimates that \$170 million of the \$226 million will be spent regionally, with the balance being imported FF&E, non-local professional fees or financing costs. The indirect outputs resulting from development are estimated at \$43 million. The induced output is estimated at \$49 million. Overall, GMA projects that a total of approximately \$262 million in economic output would be generated within the Sacramento County and San Joaquin County region during the construction phase of Alternative B, in 2014 dollars. Assuming an 80/20 split of this spending (as in Alternative A), approximately \$210 million of the \$262 million total would accrue to Sacramento County. The following table summarizes the benefits for the two-county region.

Alternative B: Total Output from Casino Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$179,010	\$107,788	\$286,798
21 Mining	\$0	\$84,498	\$42,550	\$127,049
22 Utilities	\$0	\$573,046	\$650,073	\$1,223,119
23 Construction	\$162,044,520	\$397,589	\$291,810	\$162,733,919
31-33 Manufacturing	\$2,117,996	\$4,795,245	\$822,970	\$7,736,211
42 Wholesale Trade	\$731,733	\$4,079,054	\$2,229,491	\$7,040,277
44-45 Retail trade	\$0	\$829,096	\$6,303,894	\$7,132,990
48-49 Transportation & Warehousing	\$0	\$1,644,341	\$946,043	\$2,590,384
51 Information	\$0	\$3,664,766	\$2,412,924	\$6,077,690
52 Finance & insurance	\$0	\$4,144,360	\$5,162,856	\$9,307,216
53 Real estate & rental	\$0	\$3,083,685	\$11,621,773	\$14,705,459
54 Professional- scientific & tech svcs	\$4,952,201	\$13,411,776	\$1,822,970	\$20,186,947
55 Management of companies	\$0	\$812,702	\$274,567	\$1,087,269
56 Administrative & waste services	\$0	\$2,565,977	\$1,094,878	\$3,660,855
61 Educational svcs	\$0	\$10,099	\$938,337	\$948,436
62 Health & social services	\$0	\$1,874	\$8,162,113	\$8,163,987
71 Arts- entertainment & recreation	\$0	\$193,959	\$727,573	\$921,531
72 Accommodation & food services	\$0	\$743,554	\$2,661,814	\$3,405,368
81 Other services	\$0	\$1,930,990	\$2,466,182	\$4,397,172
92 Government & non NAICs	\$0	\$189,361	\$436,394	\$625,756
TOTAL	\$169,846,450	\$43,334,984	\$49,176,999	\$262,358,432
Source: IMPLAN				

TOTAL JOBS (MAN-YEARS)

The following table summarizes the number of man-years of employment that could be generated as a result of development of a reduced-scale casino in Galt. The direct impact of



construction is expected to generate 1,039 man-years of employment. An additional 282 man-years of employment are projected to be generated through indirect impacts and 360 man-years through induced impacts. In total, the construction phase is projected to create 1,681 man-years of employment, of which approximately 1,345 would be for Sacramento County residents and 336 for San Joaquin County residents, based on an estimated 80/20 split of residence for the overall impacts.

Alternative B: Total Employment Impact from Casino Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	2
21 Mining	0	0	0	0
22 Utilities	0	1	1	1
23 Construction	984	3	2	989
31-33 Manufacturing	6	15	2	23
42 Wholesale Trade	4	19	11	33
44-45 Retail trade	0	10	76	86
48-49 Transportation & Warehousing	0	12	7	19
51 Information	0	8	7	15
52 Finance & insurance	0	17	22	39
53 Real estate & rental	0	14	18	32
54 Professional- scientific & tech svcs	45	101	13	159
55 Management of companies	0	4	1	5
56 Administrative & waste services	0	42	17	59
61 Educational svcs	0	0	14	14
62 Health & social services	0	0	74	74
71 Arts- entertainment & recreation	0	3	12	15
72 Accommodation & food services	0	12	43	55
81 Other services	0	19	37	57
92 Government & non NAICs	0	1	3	4
TOTAL	1,039	282	360	1,681
<i>Source: IMPLAN</i>				

As was the case in Alternative A, as a result of the indirect and induced expenditures, the jobs created during the construction process will be in a variety of industries, naturally led by construction-related employment. Based on the IMPLAN model results, GMA projects that architectural, engineering and related services will be the second most impacted industry from a labor perspective, followed by food service and drinking places, wholesale trade businesses, real estate establishments and employment services. Consulting services, ranging from environmental analysis to specialized design services, also can expect job creation from this alternative.



TOTAL LABOR INCOME

The total labor income that will be generated during the construction phase in Alternative B is summarized in the following table. As a result of the creation of the direct jobs, \$69.7 million in labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$17.6 million. Incremental regional consumption attributable to these earnings are projected to create an induced impact of \$16.9 million in regional earnings, for a total regional labor income growth of \$104.2 million. Approximately \$83 million of this total is estimated to accrue to Sacramento County residents, with the balance of \$21 million accruing to San Joaquin County residents.

Alternative B: Household Earnings Impact from Casino Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$56,313	\$51,199	\$107,512
21 Mining	\$0	\$9,591	\$4,296	\$13,887
22 Utilities	\$0	\$103,363	\$118,577	\$221,940
23 Construction	\$66,843,864	\$178,237	\$120,341	\$67,142,442
31-33 Manufacturing	\$225,657	\$1,025,051	\$113,413	\$1,364,122
42 Wholesale Trade	\$255,360	\$1,401,797	\$766,181	\$2,423,338
44-45 Retail trade	\$0	\$402,407	\$2,962,106	\$3,364,512
48-49 Transportation & Warehousing	\$0	\$740,281	\$448,558	\$1,188,839
51 Information	\$0	\$604,415	\$416,384	\$1,020,800
52 Finance & insurance	\$0	\$1,049,627	\$1,590,898	\$2,640,525
53 Real estate & rental	\$0	\$422,574	\$263,870	\$686,445
54 Professional- scientific & tech svcs	\$2,378,264	\$7,882,967	\$850,934	\$11,112,166
55 Management of companies	\$0	\$396,657	\$134,008	\$530,666
56 Administrative & waste services	\$0	\$1,538,173	\$625,210	\$2,163,383
61 Educational svcs	\$0	\$5,386	\$501,322	\$506,707
62 Health & social services	\$0	\$1,032	\$4,944,604	\$4,945,636
71 Arts- entertainment & recreation	\$0	\$79,575	\$291,159	\$370,734
72 Accomodation & food services	\$0	\$277,237	\$994,254	\$1,271,492
81 Other services	\$0	\$1,288,538	\$1,423,732	\$2,712,270
92 Government & non NAICs	\$0	\$119,428	\$257,531	\$376,958
TOTAL	\$69,703,146	\$17,582,650	\$16,878,578	\$104,164,373
Source: IMPLAN				

OPERATIONAL IMPACTS

Based on Boyd Gaming's revenue projections for Alternative B for gaming and non-gaming activities, as well as regional casino resort substitution effects, GMA estimated the net impact from ongoing operations. Boyd Gaming projects gross revenues for Alternative B of \$349 million. Substitution effects at Cache Creek and Thunder Valley are projected to total



approximately \$30 million, such that the net change in casino patron spending would be \$319 million. The total direct output resulting from this spending, comprised of labor income and non-labor casino expenses, is projected to total \$222 million. While GMA is not calculating benefits of off-site demand by patrons for area businesses, this alternative may provide for more off site lodging demand, as there would be no hotel at the casino.

As discussed in the Preferred Scenario, this and the other scenarios considered do not address the potential incremental jobs, spending and incomes that would result from the Tribe spending or distributing some of the casino cash flow. To the extent that the Rancheria's spending, employment and payroll increases as a result of this endeavor, GMA's analysis is conservative.

TOTAL OUTPUT

As noted above, the direct impact from the Alternative B casino and ancillary amenity operation is estimated at \$222 million, net of substitution effects. The net indirect outputs resulting from operation are estimated at \$55 million. Increased consumption attributable to the direct and indirect outputs is projected to induce \$56 million of output. Overall, GMA projects that approximately \$333 million in economic output would be generated in the Sacramento County and San Joaquin County region annually if a reduced-scale casino in Galt is operational, in 2019 dollars. The following tables summarize these benefits.



Alternative B: Total Annual Output Economic Impact from Casino Operations by Industry

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$89,430	\$115,405	\$204,835
21 Mining	\$0	\$94,383	\$51,989	\$146,372
22 Utilities	\$0	\$1,968,052	\$742,542	\$2,710,594
23 Construction	\$0	\$895,985	\$318,885	\$1,214,870
31-33 Manufacturing	\$0	\$1,594,668	\$907,041	\$2,501,710
42 Wholesale Trade	\$0	\$1,241,742	\$2,399,928	\$3,641,670
44-45 Retail trade	\$1,371,727	\$211,423	\$6,965,255	\$8,548,405
48-49 Transportation & Warehousing	\$0	\$1,413,856	\$1,058,285	\$2,472,141
51 Information	\$0	\$7,694,137	\$2,708,887	\$10,403,024
52 Finance & insurance	\$0	\$4,745,078	\$5,867,998	\$10,613,075
53 Real estate & rental	\$0	\$4,262,023	\$13,566,053	\$17,828,076
54 Professional- scientific & tech svcs	\$0	\$14,509,588	\$2,174,328	\$16,683,916
55 Management of companies	\$0	\$4,305,289	\$327,231	\$4,632,520
56 Administrative & waste services	\$0	\$5,008,806	\$1,267,454	\$6,276,260
61 Educational svcs	\$0	\$13,790	\$1,059,654	\$1,073,443
62 Health & social services	\$0	\$12,976	\$9,721,498	\$9,734,475
71 Arts- entertainment & recreation	\$189,816,021	\$1,668,512	\$851,446	\$192,335,979
72 Accomodation & food services	\$30,587,052	\$1,488,280	\$3,061,176	\$35,136,508
81 Other services	\$0	\$2,414,662	\$2,813,912	\$5,228,574
92 Government & non NAICs	\$0	\$1,042,459	\$510,273	\$1,552,732
TOTAL	\$221,774,800	\$54,675,138	\$56,489,241	\$332,939,179

Source: IMPLAN

Based on the estimate that 75 percent of the impacts will be felt in Sacramento County and 25 percent in San Joaquin County, the overall \$333 million impact is projected to be split with approximately \$250 million accruing to Sacramento County and \$83 million to San Joaquin County.

TOTAL JOBS

The following table summarizes the net total FTE employment growth that could be generated as a result of the operation of a reduced-scale casino in Galt. Based on GMA's staffing models, together with input from Boyd Gaming, GMA projects direct FTE employment to equate to 1,674 jobs. An additional 338 jobs are projected to be generated through indirect impacts and 369 through induced impacts. In total, the operation of a reduced-scale casino in Galt is projected to generate 2,380 jobs.



Alternative B: Total Annual Employment Impact from Casino Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	1
21 Mining	0	0	0	0
22 Utilities	0	2	1	3
23 Construction	0	6	2	7
31-33 Manufacturing	0	4	2	6
42 Wholesale Trade	0	6	11	17
44-45 Retail trade	40	2	78	120
48-49 Transportation & Warehousing	0	10	7	18
51 Information	0	27	7	33
52 Finance & insurance	0	19	22	41
53 Real estate & rental	0	17	19	36
54 Professional- scientific & tech svcs	0	84	13	97
55 Management of companies	0	18	1	20
56 Administrative & waste services	0	69	18	87
61 Educational svcs	0	0	14	14
62 Health & social services	0	0	76	76
71 Arts- entertainment & recreation	1,176	20	13	1,209
72 Accommodation & food services	458	21	44	524
81 Other services	0	23	38	61
92 Government & non NAICs	0	8	3	11
TOTAL	1,674	338	369	2,380
Source: IMPLAN				

As evident from the table above, there are over 700 jobs that will be created outside of the casino through indirect and induced spending. Based on the IMPLAN results, the major industries that will be indirectly impacted will be business support services, wholesale trade, food and drinking places, advertising services and several industry categories related to health care (ranging from doctors' offices to elderly care facilities). This final category is significant, as increasing the wealth and employment status of a region enables families to avail themselves of quality healthcare.

Based on the estimate that 75 percent of the impacts will be felt in Sacramento County and 25 percent in San Joaquin County, the 2,380 jobs created will likely be split with 1,785 accruing to Sacramento County residents and 595 to San Joaquin County residents.

TOTAL LABOR INCOME

The total new labor income that could be generated annually as a result of reduced-scale casino resort operations in Galt is summarized in the following table, based on ProForma forecasts and staffing models prepared by Boyd Gaming and the Tribe. As a direct result of operations, \$80 million in net annual labor income growth is projected to accrue to Sacramento County and San



Joaquin County residents. Net indirect wages in other sectors are projected to total \$21 million, while incremental regional consumption attributable to these direct and indirect earnings are projected to create an induced impact of \$19 million. As a result, a reduced-scale casino in Galt could sustain growth in total regional labor income of \$119 million.

Alternative B: Total Annual Labor Income Impact from Casino Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$27,175	\$58,278	\$85,453
21 Mining	\$0	\$8,772	\$4,908	\$13,681
22 Utilities	\$0	\$362,412	\$135,673	\$498,086
23 Construction	\$0	\$417,572	\$136,703	\$554,276
31-33 Manufacturing	\$0	\$296,798	\$129,086	\$425,884
42 Wholesale Trade	\$0	\$455,103	\$879,583	\$1,334,686
44-45 Retail trade	\$1,145,467	\$105,060	\$3,351,670	\$4,602,196
48-49 Transportation & Warehousing	\$0	\$734,674	\$507,034	\$1,241,709
51 Information	\$0	\$1,974,237	\$474,355	\$2,448,593
52 Finance & insurance	\$0	\$1,573,523	\$1,798,320	\$3,371,843
53 Real estate & rental	\$0	\$293,902	\$303,711	\$597,613
54 Professional- scientific & tech svcs	\$0	\$5,958,456	\$963,506	\$6,921,963
55 Management of companies	\$0	\$2,006,695	\$152,522	\$2,159,217
56 Administrative & waste services	\$0	\$2,751,571	\$710,030	\$3,461,602
61 Educational svcs	\$0	\$7,345	\$557,577	\$564,922
62 Health & social services	\$0	\$6,979	\$5,637,813	\$5,644,792
71 Arts- entertainment & recreation	\$61,709,900	\$518,437	\$328,743	\$62,557,081
72 Accomodation & food services	\$16,726,256	\$547,950	\$1,128,147	\$18,402,353
81 Other services	\$0	\$1,742,886	\$1,610,954	\$3,353,839
92 Government & non NAICs	\$0	\$769,232	\$292,093	\$1,061,324
TOTAL	\$79,581,624	\$20,558,781	\$19,160,707	\$119,301,112
Source: IMPLAN				

Based on the estimate that 75 percent of the impacts will be felt in Sacramento County and 25 percent in San Joaquin County, the overall \$119 million earnings impact is projected to be split with \$89 million accruing to Sacramento County residents and \$30 million to San Joaquin County residents.



TOTAL FISCAL IMPACT

There will be fiscal impacts resulting from the construction and operation of the casino at the local, county, state and federal levels from a variety of taxes. In some cases there may be tax exemptions due to purchases by the Rancheria. The IMPLAN model creates a projection of total taxes, such that these discounts are not reflected in the resulting tables. The state and local tax during the construction phase is projected to total \$10.3 million, the majority of which would be taxes on construction materials and property taxes. An additional \$18.3 million would be paid in federal taxes. The following tables detail tax revenues during the construction phase for Alternative B.

Alternative B: State and Local Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$19,015	\$19,015
Social Ins Tax- Employee Contribution	\$250,368	\$0	\$0	\$0	\$0	\$250,368
Social Ins Tax- Employer Contribution	\$492,248	\$0	\$0	\$0	\$0	\$492,248
Tax on Production and Imports: Sales Tax	\$0	\$0	\$3,005,138	\$0	\$0	\$3,005,138
Tax on Production and Imports: Property Tax	\$0	\$0	\$2,653,385	\$0	\$0	\$2,653,385
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$65,676	\$0	\$0	\$65,676
Tax on Production and Imports: Severance Tax	\$0	\$0	\$1,907	\$0	\$0	\$1,907
Tax on Production and Imports: Other Taxes	\$0	\$0	\$448,288	\$0	\$0	\$448,288
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$41,224	\$0	\$0	\$41,224
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$399,143	\$399,143
Personal Tax: Income Tax	\$0	\$0	\$0	\$2,412,872	\$0	\$2,412,872
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$338,971	\$0	\$338,971
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$101,916	\$0	\$101,916
Personal Tax: Property Taxes	\$0	\$0	\$0	\$38,226	\$0	\$38,226
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$23,261	\$0	\$23,261
Total State and Local Tax	\$742,616	\$0	\$6,215,619	\$2,915,245	\$418,158	\$10,291,638

Source: IMPLAN

Alternative B: Federal Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$3,607,090	\$615,117	\$0	\$0	\$0	\$4,222,207
Social Ins Tax- Employer Contribution	\$4,701,281	\$0	\$0	\$0	\$0	\$4,701,281
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$525,941	\$0	\$0	\$525,941
Tax on Production and Imports: Custom Duty	\$0	\$0	\$208,509	\$0	\$0	\$208,509
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$59,752	\$0	\$0	\$59,752
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$1,758,099	\$1,758,099
Personal Tax: Income Tax	\$0	\$0	\$0	\$6,851,369	\$0	\$6,851,369
Total Federal Tax	\$8,308,370	\$615,117	\$794,202	\$6,851,369	\$1,758,099	\$18,327,157

Source: IMPLAN



Annually during the operations phase, \$11.4 million in state and local taxes, and \$26.0 million in federal taxes resulting from indirect and induced spending is projected. Sales taxes, property taxes, other taxes, and S/L non-taxes have been adjusted by the ratio of indirect and induced output to the total output at the state and local level. This adjustment reflects the exemption status of direct spending occurring at the facility. There would be additional state and federal tax revenues from incomes of casino resort workers, not accounted for in the IMPLAN model. To the extent that any purchases made at the resort will be taxable (i.e. if a bed occupancy tax is considered), this would also not be represented in these figures. The following tables detail annual tax revenues during the operations phase for Alternative B.

Alternative B: State and Local Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$54,184	\$54,184
Social Ins Tax- Employee Contribution	\$327,412	\$0	\$0	\$0	\$0	\$327,412
Social Ins Tax- Employer Contribution	\$643,726	\$0	\$0	\$0	\$0	\$643,726
Tax on Production and Imports: Sales Tax	\$0	\$0	\$2,862,152	\$0	\$0	\$2,862,152
Tax on Production and Imports: Property Tax	\$0	\$0	\$2,527,136	\$0	\$0	\$2,527,136
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$187,341	\$0	\$0	\$187,341
Tax on Production and Imports: Severance Tax	\$0	\$0	\$5,439	\$0	\$0	\$5,439
Tax on Production and Imports: Other Taxes	\$0	\$0	\$426,959	\$0	\$0	\$426,959
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$39,263	\$0	\$0	\$39,263
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$1,137,348	\$1,137,348
Personal Tax: Income Tax	\$0	\$0	\$0	\$2,708,144	\$0	\$2,708,144
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$380,452	\$0	\$380,452
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$114,387	\$0	\$114,387
Personal Tax: Property Taxes	\$0	\$0	\$0	\$14,325	\$0	\$14,325
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$8,717	\$0	\$8,717
Total State and Local Tax	\$971,138	\$0	\$6,048,290	\$3,226,025	\$1,191,532	\$11,436,984

Source: IMPLAN

Alternative B: Federal Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$4,717,086	\$186,960	\$0	\$0	\$0	\$4,904,046
Social Ins Tax- Employer Contribution	\$6,147,989	\$0	\$0	\$0	\$0	\$6,147,989
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$1,500,252	\$0	\$0	\$1,500,252
Tax on Production and Imports: Custom Duty	\$0	\$0	\$594,775	\$0	\$0	\$594,775
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$170,443	\$0	\$0	\$170,443
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$5,009,662	\$5,009,662
Personal Tax: Income Tax	\$0	\$0	\$0	\$7,689,797	\$0	\$7,689,797
Total Federal Tax	\$10,865,075	\$186,960	\$2,265,470	\$7,689,797	\$5,009,662	\$26,016,964

Source: IMPLAN



POPULATION/LABOR IMPACT

A reduced-scale casino would naturally have a reduced impact on the labor market and related impacts from a population standpoint. As noted in Alternative A, the Galt site is located proximate to the Sacramento and San Joaquin County lines, such that the labor force in both counties would account for the vast majority of the labor utilized to service the demand. Given the combined labor force of nearly 1 million, and the potential that a reduced-scale project would create 2,380 jobs (499 fewer than in Alternative A), the project would be clearly beneficial in terms of creating work opportunities but may have a small overall impact on the unemployment rate.

ALTERNATIVE C – RETAIL AT TWIN CITIES

This scenario addresses the economic impact associated with developing a retail complex at the 282-acre Galt site, to include three big-box stores (grocery, home improvement and warehouse membership retail), five small retail establishments and several restaurants ranging from fast food to casual dining, as well as a gas station/car wash. The total development for this scenario is expected to cover 686,000 square feet, providing 3,320 surface parking spaces.¹⁰

Proposed Retail Development by Type and Square Footage

Super Grocery Store	200,000
Warehouse Membership Store	125,000
Retailer #1	45,000
Retailer #2	35,000
Retailer #3	30,000
Retailer #4	30,000
Retailer #5	25,000
Retailer #6	20,000
Home Improvement Store	125,000
Home Improvement Yard	20,000
Restaurant #1	9,000
Restaurant #2	9,000
Fast Food Restaurant	5,000
Gas Station/Car Wash	8,000

Source: Boyd Gaming

¹⁰ Source: Wilton EIS Scoping Report Figure 5.



While the Galt site is in an agricultural area, there is already substantial retail development proximate to the site on Twin Cities Road east of Highway 99, including two strip malls and a Wal-Mart within 0.7 miles of the interchange. A large outlet mall, planned by the Howard Hughes Corporation at the Mall Site (Alternative F) is approximately 6.5 miles to the north on Highway 99. There are also numerous small, independent retail venues in Galt, as well as numerous malls of various scales in the Sacramento and Stockton markets. GMA would therefore expect that while there would be sizable construction impacts, the ongoing impacts would be limited due to what GMA would perceive will be a lack of latent demand for this type of shopping opportunity in the area. As a result, much of the demand would be diverted from other regional businesses, limiting the net economic impacts.

CONSTRUCTION IMPACTS

The estimated development budget for Alternative C is \$267 million, in 2014 dollars. A project of this scale in Galt could potentially be developed over the course of 16 months. The following analysis details the project budget and resulting spending, jobs and earnings attributable to the development of a retail development at the Galt site.

CONSTRUCTION BUDGET

The following table outlines the projected development cost and parameters for a mall at the preferred location in Galt, based on input provided to GMA by Boyd Gaming, presented in 2014 dollars. A key assumption here is that the amount of spending on Soft Costs, FF&E and OS&E is identical to that which was assumed for the Preferred Casino Resort Alternative.

Projected Development Costs	
Construction and Site Work	\$211,544,739
General Conditions and Fee	\$21,754,018
Soft Costs	\$15,461,005
FF&E	\$12,633,272
OS&E	\$5,448,059
Total	\$266,841,093
Source: Boyd Gaming	

TOTAL OUTPUT

The direct impact from construction-related activities and local procurement of FF&E for Alternative C is estimated at \$249 million, with the balance of the \$267 million being non-local expenses or financing-related. The indirect outputs resulting from development are estimated at \$63 million. The induced output is estimated at \$71 million. Overall, GMA projects that a total of approximately \$383 million in economic output would be generated within in the



Sacramento County and San Joaquin County region during the construction phase of Alternative C. The following table summarizes these benefits, in 2014 dollars.

Alternative C: Total Output from Retail Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$258,693	\$155,083	\$413,776
21 Mining	\$0	\$123,168	\$61,221	\$184,389
22 Utilities	\$0	\$851,871	\$935,326	\$1,787,197
23 Construction	\$233,298,747	\$589,446	\$419,844	\$234,308,037
31-33 Manufacturing	\$9,474,954	\$6,986,396	\$1,184,069	\$17,645,419
42 Wholesale Trade	\$933,503	\$6,037,974	\$3,207,832	\$10,179,308
44-45 Retail trade	\$0	\$1,254,321	\$9,069,668	\$10,323,989
48-49 Transportation & Warehousing	\$0	\$2,447,199	\$1,361,098	\$3,808,296
51 Information	\$0	\$5,373,561	\$3,471,672	\$8,845,233
52 Finance & insurance	\$0	\$6,116,278	\$7,427,986	\$13,544,264
53 Real estate & rental	\$0	\$4,525,004	\$16,721,099	\$21,246,103
54 Professional- scientific & tech svcs	\$4,992,201	\$19,439,988	\$2,622,789	\$27,054,978
55 Management of companies	\$0	\$1,239,178	\$395,039	\$1,634,217
56 Administrative & waste services	\$0	\$3,688,404	\$1,575,267	\$5,263,671
61 Educational svcs	\$0	\$14,711	\$1,349,935	\$1,364,646
62 Health & social services	\$0	\$2,060	\$11,743,502	\$11,745,561
71 Arts- entertainment & recreation	\$0	\$285,152	\$1,046,779	\$1,331,931
72 Accomodation & food services	\$0	\$1,075,768	\$3,829,698	\$4,905,466
81 Other services	\$0	\$2,790,838	\$3,548,196	\$6,339,034
92 Government & non NAICs	\$0	\$278,431	\$627,869	\$906,300
TOTAL	\$248,699,404	\$63,378,442	\$70,753,971	\$382,831,817
<i>Source: IMPLAN</i>				

As with the casino resort models, GMA assumes the construction output to develop a mall will have the same regional split in terms of the county source of labor and materials, approximately 80 percent being from Sacramento County and 20 percent from San Joaquin County (imported goods and services, including direct, indirect and induced spending, are already excluded in the tables above). As a result, it is estimated that approximately \$306 million of the total output will accrue to Sacramento County and \$77 million to San Joaquin County.

TOTAL JOBS (MAN-YEARS)

The following table summarizes the number of man-years of employment that could be generated as a result of development of a retail complex in Galt. GMA notes that the retail complex could take less than one year to complete, such that it is necessary to reiterate the



importance of the difference between man-years of employment and number of jobs created. The direct impact of retail facility construction is expected to generate 1,493 man-years of employment. 412 man-years of employment are projected to be generated through indirect impacts and 518 man-years through induced impacts. In total, Alternative C's construction phase is projected to support 2,423 man-years of employment, of which approximately 1,938 will reside in Sacramento County and 485 in San Joaquin County.

Alternative C: Total Employment Impact from Retail Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	2
21 Mining	0	0	0	0
22 Utilities	0	1	1	2
23 Construction	1,417	4	3	1,424
31-33 Manufacturing	26	22	2	50
42 Wholesale Trade	5	29	15	48
44-45 Retail trade	0	15	110	125
48-49 Transportation & Warehousing	0	17	10	28
51 Information	0	12	10	22
52 Finance & insurance	0	25	31	56
53 Real estate & rental	0	21	26	47
54 Professional- scientific & tech svcs	45	147	19	210
55 Management of companies	0	6	2	8
56 Administrative & waste services	0	60	25	85
61 Educational svcs	0	0	20	20
62 Health & social services	0	0	106	106
71 Arts- entertainment & recreation	0	5	18	22
72 Accommodation & food services	0	17	62	80
81 Other services	0	28	54	81
92 Government & non NAICs	0	2	4	6
TOTAL	1,493	412	518	2,423
<i>Source: IMPLAN</i>				

As was the case in Alternatives A and B, as a result of the indirect and induced expenditures, the jobs created during the construction process will be in a variety of industries, naturally led by construction-related employment. Based on the IMPLAN model results, GMA projects that architectural, engineering and related services will be the second most impacted industry from a labor perspective, followed by food service and drinking places, wholesale trade businesses, real estate establishments and employment services. Consulting services, ranging from environmental analysis to specialized design services, also can expect job creation from this alternative.



TOTAL LABOR INCOME

The total labor income that will be generated during the construction phase in Alternative C is summarized in the following table. As a result of the creation of direct jobs, \$100 million in labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$26 million. Incremental regional consumption attributable to these earnings are projected to create an induced impact of \$24 million in regional earnings, for a total regional labor income growth of \$150 million. Based on the estimate of an 80/20 regional impact split, \$120 million of this total will accrue to Sacramento County residents and \$30 million to San Joaquin County residents.

Alternative C: Household Earnings Impact from Retail Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$81,393	\$73,664	\$155,057
21 Mining	\$0	\$14,016	\$6,181	\$20,196
22 Utilities	\$0	\$153,604	\$170,609	\$324,213
23 Construction	\$96,236,452	\$264,247	\$173,142	\$96,673,842
31-33 Manufacturing	\$1,009,488	\$1,491,632	\$163,176	\$2,664,296
42 Wholesale Trade	\$325,774	\$2,074,994	\$1,102,395	\$3,503,163
44-45 Retail trade	\$0	\$608,792	\$4,261,701	\$4,870,493
48-49 Transportation & Warehousing	\$0	\$1,101,012	\$645,356	\$1,746,368
51 Information	\$0	\$889,644	\$599,084	\$1,488,728
52 Finance & insurance	\$0	\$1,549,996	\$2,288,880	\$3,838,876
53 Real estate & rental	\$0	\$616,053	\$379,666	\$995,719
54 Professional- scientific & tech svcs	\$2,392,856	\$11,400,475	\$1,224,277	\$15,017,608
55 Management of companies	\$0	\$604,809	\$192,807	\$797,616
56 Administrative & waste services	\$0	\$2,205,102	\$899,527	\$3,104,629
61 Educational svcs	\$0	\$7,845	\$721,225	\$729,070
62 Health & social services	\$0	\$1,134	\$7,114,208	\$7,115,342
71 Arts- entertainment & recreation	\$0	\$117,631	\$418,899	\$536,530
72 Accomodation & food services	\$0	\$401,084	\$1,430,488	\$1,831,573
81 Other services	\$0	\$1,863,396	\$2,048,380	\$3,911,776
92 Government & non NAICs	\$0	\$174,662	\$370,523	\$545,185
TOTAL	\$99,964,571	\$25,621,521	\$24,284,187	\$149,870,279
Source: IMPLAN				

OPERATIONAL IMPACTS

Demand projections for retail operations are best calibrated through historical dollar per square foot revenue averages for similar operations nationally. GMA recognizes that there can be significant volatility in the average based on who the retailers are or what types of goods are sold. For example, the average annual sales per square foot for an Apple store was over \$6,000



in 2012, which at the time was more than twice as high as any other store. From an industry standpoint, jewelry stores, grocery stores and restaurants generally are on the higher end in terms of sales per square foot, in the \$600 to \$800 per square foot per year range. At the opposite end of the spectrum are book stores, big box/general merchandise, auto parts stores, hardware stores and home furnishing stores, where sales per square foot are generally closer to \$150 to \$200 per year.

There are two very large operators of malls in the U.S. that essentially have a duopoly on mall operations: the Simon Property Group and General Growth Properties. In 2013 Simon Property Group attained an average sales per square foot of \$582 in its 222 malls and premium outlets (up from \$568 in 2012).¹¹ General Growth Properties had an average sales per square foot of \$564 in its 120 malls and premium outlets (up from \$545 in 2012).¹²

GMA did high/low projections of demand for each of the retail store types planned for development, forecasting an annual range of \$281 million to \$330 million. This would reflect an average in the range of \$409 to \$481 per square foot, which is indicative of a mall range in a non-densely populated area. Given this location, the mix of anchor stores in this alternative's scenario, the presence of multiple food and beverage venues, as well as the fact that this forecast is in 2019 dollars, this range should be deemed reasonable. As points of reference, in 2012 Sacramento County had \$19.1 billion in taxable sales, while San Joaquin County had \$9.0 billion.¹³ Relative to their respective populations, the spending per capita was nearly identical – approximately \$13,200 in Sacramento County and \$12,800 in San Joaquin County, but lower than the statewide average of approximately \$14,700 and the Sacramento MSA average of approximately \$14,300 (from \$31.4 billion in taxable retail sales).

GMA also considers substitution effects for this type of venture, as shoppers at this complex would therefore be likely to decrease their patronage at other regional retail venues, as aside from some possible independent food and beverage outlets it would be unlikely that the mall would offer distinctly different retail vendors than could be found elsewhere in the region, particularly with respect to the big-box anchors. GMA did not perform a gravity model to determine where the retail patronage would come from, and in turn what county's shopping malls or retail outlets would be most likely to be impacted.

¹¹ Simon Property Group 2013 10-K SEC filing, <http://biz.yahoo.com/e/140227/spg10-k.html>

¹² General Growth Properties 2013 10-K SEC filing, <http://biz.yahoo.com/e/140221/ggp10-k.html>

¹³ California State Board of Equalization website, <http://www.boe.ca.gov/news/tsalescont12.htm>, accessed March 26, 2014.



TOTAL OUTPUT

In order to estimate the net impact it is necessary to also estimate the volume of diverted demand, GMA assumed that all of the retail venues would have one or more competitive alternatives elsewhere in the market. The new venues may provide greater convenience or quality than some other regional venues for residents of the Galt area, increasing the frequency of visitation and purchases, but there would still be a significant substitution effect. Most visitors would be diverting visitation from one of the malls or retail stores in Sacramento, Stockton, or one of the retail venues in the Galt area.

GMA considered several studies that forecast that 50 to 60 percent of revenues for a proposed new mall in the U.S. would be diverted revenues, but these are malls where the geography was more narrowly defined.¹⁴ In this case GMA is looking at two large counties from which there may be diversion. GMA therefore estimates that the \$281 million to \$330 million in gross retail sales would potentially be only 25 to 35 percent new to the region, for a range of \$70 million to \$99 million in terms of net new retail sales.

IMPLAN models consider the marginalized impacts of retail sales, netting out transportation costs and retailer markups. The gross direct impacts from operations are projected to range from \$94 million to \$111 million based on the \$281 million to \$330 million in retail sales. If GMA considered just the new revenue impacts, the direct impacts decline to a range of \$23.6 million to \$38.9 million. Net indirect and induced outputs add \$11.5 million to \$19.0 million to the net direct totals, resulting in a net increase in output ranging from \$35.1 million to \$57.8 million.

Alternative C: Net Annual Output Economic Impact from Retail Operations		
	Low Range	High Range
Direct	\$23,587,750	\$38,857,000
Indirect	\$4,389,711	\$7,235,762
Induced	\$7,133,376	\$11,749,207
Total	\$35,110,837	\$57,841,970
Source: GMA		

¹⁴ <http://marinretailbuzz.blogspot.com/2009/03/new-petaluma-center-may-impact-novato.html>,
<http://archive.newspapertree.com/news/print/230-economic-impact-of-proposed-town-centre-mall>



Alternative C: Total Annual Output Economic Impact from Retail Operations by Industry, Low Range

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$6,293	\$14,564	\$20,857
21 Mining	\$0	\$6,563	\$6,550	\$13,112
22 Utilities	\$0	\$127,884	\$93,513	\$221,397
23 Construction	\$0	\$81,528	\$40,272	\$121,799
31-33 Manufacturing	\$0	\$113,355	\$114,418	\$227,774
42 Wholesale Trade	\$0	\$163,200	\$301,839	\$465,039
44-45 Retail Trade	\$19,912,750	\$40,730	\$880,883	\$20,834,362
48-49 Transportation & Warehousing	\$0	\$313,912	\$133,964	\$447,876
51 Information	\$0	\$589,305	\$341,597	\$930,902
52 Finance & insurance	\$0	\$448,362	\$742,347	\$1,190,708
53 Real estate & rental	\$0	\$900,948	\$1,711,674	\$2,612,622
54 Professional- scientific & tech svcs	\$0	\$645,680	\$274,883	\$920,563
55 Management of companies	\$0	\$171,096	\$41,292	\$212,387
56 Administrative & waste services	\$0	\$437,983	\$160,064	\$598,047
61 Educational svcs	\$0	\$20,690	\$134,912	\$155,602
62 Health & social services	\$0	\$96	\$1,225,837	\$1,225,933
71 Arts- entertainment & recreation	\$0	\$59,174	\$107,772	\$166,946
72 Accommodation & food services	\$3,675,000	\$77,215	\$386,731	\$4,138,946
81 Other services	\$0	\$116,649	\$355,846	\$472,495
92 Government & non NAICs	\$0	\$69,051	\$64,421	\$133,472
TOTAL	\$23,587,750	\$4,389,711	\$7,133,376	\$35,110,836

Source: IMPLAN



Alternative C: Total Annual Output Economic Impact from Retail Operations by Industry, High Range

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$10,402	\$23,988	\$34,389
21 Mining	\$0	\$10,824	\$10,788	\$21,612
22 Utilities	\$0	\$210,899	\$154,023	\$364,922
23 Construction	\$0	\$134,384	\$66,330	\$200,714
31-33 Manufacturing	\$0	\$187,311	\$188,455	\$375,766
42 Wholesale Trade	\$0	\$269,324	\$497,154	\$766,478
44-45 Retail Trade	\$32,767,000	\$67,160	\$1,450,879	\$34,285,039
48-49 Transportation & Warehousing	\$0	\$517,041	\$220,647	\$737,689
51 Information	\$0	\$971,202	\$562,636	\$1,533,838
52 Finance & insurance	\$0	\$738,702	\$1,222,700	\$1,961,402
53 Real estate & rental	\$0	\$1,484,943	\$2,819,258	\$4,304,201
54 Professional- scientific & tech svcs	\$0	\$1,064,188	\$452,752	\$1,516,940
55 Management of companies	\$0	\$282,380	\$68,010	\$350,390
56 Administrative & waste services	\$0	\$721,648	\$263,638	\$985,286
61 Educational svcs	\$0	\$34,061	\$222,209	\$256,271
62 Health & social services	\$0	\$158	\$2,019,048	\$2,019,206
71 Arts- entertainment & recreation	\$0	\$97,555	\$177,508	\$275,063
72 Accommodation & food services	\$6,090,000	\$127,352	\$636,974	\$6,854,326
81 Other services	\$0	\$192,351	\$586,104	\$778,456
92 Government & non NAICs	\$0	\$113,878	\$106,106	\$219,985
TOTAL	\$38,857,000	\$7,235,762	\$11,749,207	\$57,841,970

Source: IMPLAN

The division of the impacts between Sacramento County and San Joaquin County is more difficult to determine due to the larger share of revenues that would be diverted from other businesses. If the assumption is maintained that 80 percent of the impact would be felt in Sacramento County and 20 percent in San Joaquin County, the division of the net impacts would be \$47 million to Sacramento County and \$11 million to San Joaquin County. As the actual impacts cannot be quantified at this time due to the number of unknowns, GMA maintains the 80/20 assumption based on the information previously discussed.

TOTAL JOBS

The following table summarizes the net total FTE employment growth that could be generated as a result of the operation of a retail complex in Galt. The IMPLAN model projects direct FTE employment to equate to between 1,175 and 1,382 jobs; however, given that GMA assumed 65 to 75 percent of the demand will result from a substitution effect, GMA assumed there will also be some diverted labor demand (but at a smaller percentage than output, as labor demand is



less elastic downward than sales are). As a result, GMA projects that approximately half of the jobs will be new, or 588 to 691 new direct jobs. Between 26 and 43 net new jobs are projected to be generated through indirect impacts and approximately 100 through induced impacts. In total, the operation of a new retail complex in Galt is projected to generate between 707 and 844 new jobs in the region. Based on our estimate of a county split of 80 percent being from Sacramento County and 20 percent from San Joaquin County, 566 to 675 of these jobs would accrue to Sacramento County residents and 141 to 169 to San Joaquin County residents.

Alternative C: Net Annual Employment Impact from Retail Operations		
	Low Range	High Range
Direct	588	691
Indirect	26	43
Induced	93	110
Total	707	844
Source: GMA		



Alternative C: Total Annual Employment Impact from Retail Operations by Industry, Low Range

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	0	0	0
21 Mining	0	0	0	0
22 Utilities	0	0	0	0
23 Construction	0	1	0	1
31-33 Manufacturing	0	0	0	1
42 Wholesale Trade	0	1	3	4
44-45 Retail Trade	481	0	20	501
48-49 Transportation & Warehousing	0	3	2	4
51 Information	0	2	2	4
52 Finance & insurance	0	2	6	7
53 Real estate & rental	0	4	5	9
54 Professional- scientific & tech svcs	0	4	3	7
55 Management of companies	0	1	0	1
56 Administrative & waste services	0	6	4	10
61 Educational svcs	0	0	4	4
62 Health & social services	0	0	19	19
71 Arts- entertainment & recreation	0	1	3	4
72 Accommodation & food services	106	1	11	119
81 Other services	0	1	10	11
92 Government & non NAICs	0	0	1	1
TOTAL	588	26	93	707

Source: IMPLAN



Alternative C: Total Annual Employment Impact from Retail Operations by Industry, High Range

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	0	0	0
21 Mining	0	0	0	0
22 Utilities	0	0	0	0
23 Construction	0	1	1	1
31-33 Manufacturing	0	1	1	1
42 Wholesale Trade	0	1	3	4
44-45 Retail Trade	565	1	23	589
48-49 Transportation & Warehousing	0	4	2	6
51 Information	0	3	2	5
52 Finance & insurance	0	3	7	9
53 Real estate & rental	0	6	6	12
54 Professional- scientific & tech svcs	0	6	4	10
55 Management of companies	0	1	0	2
56 Administrative & waste services	0	10	5	15
61 Educational svcs	0	0	4	5
62 Health & social services	0	0	23	23
71 Arts- entertainment & recreation	0	1	4	5
72 Accomodation & food services	126	2	13	141
81 Other services	0	2	11	13
92 Government & non NAICs	0	1	1	2
TOTAL	691	43	110	844

Source: IMPLAN

This alternative differs from the five casino-related alternatives in that the direct jobs relate to activities at the mall, which covers a broad variety of retail positions. As evident from the table above, there may be 120 to 150 jobs created in the economy off-property attributable to the mall through indirect and induced spending. Based on the IMPLAN results it is evident that retail jobs in all sectors, along with food and beverage industry jobs, will be the main benefactors of the direct, indirect and induced spending.

TOTAL LABOR INCOME

Based on the substitution effect assumptions as outlined above for labor, as well as the IMPLAN results which do not take substitution into account, the following table summarizes projected net labor income growth that could result from mall operations. As a result of the net new direct job creation, between \$22.3 million and \$26.2 million in annual labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to range from \$1.5 million to \$2.4 million, while incremental regional



consumption attributable to these direct and indirect earnings are projected to create an induced impact of \$4.8 million to \$5.7 million. As a result, a retail complex in Galt could likely sustain growth in total regional labor income of \$28.6 million to \$34.3 million. Sacramento County residents are projected to capture \$23 million to \$28 million of that total, with San Joaquin County residents attaining approximately \$6 million.

Alternative C: Total Annual Labor Income Impact from Retail Operations		
	Low Range	High Range
Direct	\$22,292,008	\$26,223,721
Indirect	\$1,455,803	\$2,399,574
Induced	\$4,840,375	\$5,694,615
Total	\$28,588,186	\$34,317,910
<i>Source: GMA</i>		

Alternative C: Annual Labor Income Impact from Retail Operations by Industry, Low Range				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$2,392	\$14,707	\$17,099
21 Mining	\$0	\$613	\$1,237	\$1,850
22 Utilities	\$0	\$24,044	\$34,170	\$58,214
23 Construction	\$0	\$37,946	\$34,525	\$72,471
31-33 Manufacturing	\$0	\$21,905	\$32,577	\$54,482
42 Wholesale Trade	\$0	\$59,814	\$221,251	\$281,064
44-45 Retail Trade	\$19,579,468	\$20,032	\$847,759	\$20,447,258
48-49 Transportation & Warehousing	\$0	\$166,710	\$128,299	\$295,009
51 Information	\$0	\$141,561	\$119,669	\$261,230
52 Finance & insurance	\$0	\$148,396	\$455,041	\$603,437
53 Real estate & rental	\$0	\$58,537	\$76,316	\$134,853
54 Professional- scientific & tech svcs	\$0	\$257,848	\$243,642	\$501,490
55 Management of companies	\$0	\$79,748	\$38,492	\$118,240
56 Administrative & waste services	\$0	\$248,112	\$179,340	\$427,452
61 Educational svcs	\$0	\$10,963	\$141,977	\$152,940
62 Health & social services	\$0	\$52	\$1,421,821	\$1,421,873
71 Arts- entertainment & recreation	\$0	\$24,145	\$83,221	\$107,366
72 Accommodation & food services	\$2,712,540	\$28,257	\$285,048	\$3,025,844
81 Other services	\$0	\$77,292	\$407,473	\$484,765
92 Government & non NAICs	\$0	\$47,438	\$73,814	\$121,252
TOTAL	\$22,292,008	\$1,455,803	\$4,840,375	\$28,588,185
<i>Source: IMPLAN</i>				



Alternative C: Annual Labor Income Impact from Retail Operations by Industry, High Range

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$3,950	\$17,303	\$21,253
21 Mining	\$0	\$1,012	\$1,455	\$2,467
22 Utilities	\$0	\$39,652	\$40,200	\$79,852
23 Construction	\$0	\$62,546	\$40,618	\$103,164
31-33 Manufacturing	\$0	\$36,175	\$38,326	\$74,501
42 Wholesale Trade	\$0	\$98,708	\$260,298	\$359,006
44-45 Retail Trade	\$23,012,959	\$33,029	\$997,372	\$24,043,360
48-49 Transportation & Warehousing	\$0	\$274,573	\$150,942	\$425,515
51 Information	\$0	\$233,286	\$140,789	\$374,074
52 Finance & insurance	\$0	\$244,493	\$535,347	\$779,839
53 Real estate & rental	\$0	\$96,479	\$89,784	\$186,263
54 Professional- scientific & tech svcs	\$0	\$425,003	\$286,641	\$711,644
55 Management of companies	\$0	\$131,617	\$45,285	\$176,902
56 Administrative & waste services	\$0	\$408,800	\$210,990	\$619,790
61 Educational svcs	\$0	\$18,048	\$167,033	\$185,080
62 Health & social services	\$0	\$85	\$1,672,749	\$1,672,834
71 Arts- entertainment & recreation	\$0	\$39,818	\$97,908	\$137,726
72 Accommodation & food services	\$3,210,761	\$46,605	\$335,353	\$3,592,719
81 Other services	\$0	\$127,459	\$479,384	\$606,843
92 Government & non NAICs	\$0	\$78,236	\$86,840	\$165,076
TOTAL	\$26,223,721	\$2,399,574	\$5,694,615	\$34,317,909

Source: IMPLAN

TOTAL FISCAL IMPACT

There will be fiscal impacts resulting from the construction and operation of a mall in Galt at the local, county, state and federal levels from a variety of taxes. The state and local tax during the construction phase is projected to total \$14.9 million, the majority of which would be taxes on construction materials and property. An additional \$26.5 million would be paid in federal taxes. The following tables detail tax revenues during the construction phase for Alternative C.



Alternative C: State and Local Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$28,515	\$28,515
Social Ins Tax- Employee Contribution	\$360,418	\$0	\$0	\$0	\$0	\$360,418
Social Ins Tax- Employer Contribution	\$708,617	\$0	\$0	\$0	\$0	\$708,617
Tax on Production and Imports: Sales Tax	\$0	\$0	\$4,334,497	\$0	\$0	\$4,334,497
Tax on Production and Imports: Property Tax	\$0	\$0	\$3,827,143	\$0	\$0	\$3,827,143
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$94,728	\$0	\$0	\$94,728
Tax on Production and Imports: Severance Tax	\$0	\$0	\$2,750	\$0	\$0	\$2,750
Tax on Production and Imports: Other Taxes	\$0	\$0	\$646,594	\$0	\$0	\$646,594
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$59,460	\$0	\$0	\$59,460
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$598,544	\$598,544
Personal Tax: Income Tax	\$0	\$0	\$0	\$3,471,346	\$0	\$3,471,346
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$487,670	\$0	\$487,670
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$146,624	\$0	\$146,624
Personal Tax: Property Taxes	\$0	\$0	\$0	\$54,994	\$0	\$54,994
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$33,465	\$0	\$33,465
Total State and Local Tax	\$1,069,035	\$0	\$8,965,173	\$4,194,099	\$627,059	\$14,855,366

Source: IMPLAN

Alternative C: Federal Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$5,192,599	\$882,577	\$0	\$0	\$0	\$6,075,176
Social Ins Tax- Employer Contribution	\$6,767,745	\$0	\$0	\$0	\$0	\$6,767,745
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$758,597	\$0	\$0	\$758,597
Tax on Production and Imports: Custom Duty	\$0	\$0	\$300,746	\$0	\$0	\$300,746
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$86,184	\$0	\$0	\$86,184
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$2,636,397	\$2,636,397
Personal Tax: Income Tax	\$0	\$0	\$0	\$9,856,914	\$0	\$9,856,914
Total Federal Tax	\$11,960,344	\$882,577	\$1,145,526	\$9,856,914	\$2,636,397	\$26,481,758

Source: IMPLAN

Annually during the operations phase, \$2.5 to \$3.6 million in state and local taxes, and \$5.3 to \$6.6 million in federal taxes is projected. Sales taxes, property taxes, other taxes, and S/L non-taxes have been adjusted by the ratio of indirect and induced output to the total output at the state and local level. This adjustment reflects the exemption status of direct spending occurring at the facility. The following tables detail tax revenues during the operations phase for Alternative C Low and High ranges:



Alternative C: State and Local Tax Revenue During Operations Phase, Low Range

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$4,456	\$4,456
Social Ins Tax- Employee Contribution	\$74,761	\$0	\$0	\$0	\$0	\$74,761
Social Ins Tax- Employer Contribution	\$146,988	\$0	\$0	\$0	\$0	\$146,988
Tax on Production and Imports: Sales Tax	\$0	\$0	\$670,279	\$0	\$0	\$670,279
Tax on Production and Imports: Property Tax	\$0	\$0	\$591,823	\$0	\$0	\$591,823
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$44,634	\$0	\$0	\$44,634
Tax on Production and Imports: Severance Tax	\$0	\$0	\$1,296	\$0	\$0	\$1,296
Tax on Production and Imports: Other Taxes	\$0	\$0	\$99,988	\$0	\$0	\$99,988
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$9,195	\$0	\$0	\$9,195
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$93,541	\$93,541
Personal Tax: Income Tax	\$0	\$0	\$0	\$653,987	\$0	\$653,987
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$91,875	\$0	\$91,875
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$27,623	\$0	\$27,623
Personal Tax: Property Taxes	\$0	\$0	\$0	\$3,400	\$0	\$3,400
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$2,069	\$0	\$2,069
Total State and Local Tax	\$221,749	\$0	\$1,417,216	\$778,955	\$97,997	\$2,515,916

Source: IMPLAN

Alternative C: Federal Tax Revenue During Operations Phase, Low Range

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$1,077,094	\$0	\$0	\$0	\$0	\$1,077,094
Social Ins Tax- Employer Contribution	\$1,403,824	\$0	\$0	\$0	\$0	\$1,403,824
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$357,438	\$0	\$0	\$357,438
Tax on Production and Imports: Custom Duty	\$0	\$0	\$141,706	\$0	\$0	\$141,706
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$40,608	\$0	\$0	\$40,608
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$412,019	\$412,019
Personal Tax: Income Tax	\$0	\$0	\$0	\$1,857,001	\$0	\$1,857,001
Total Federal Tax	\$2,480,918	\$0	\$539,752	\$1,857,001	\$412,019	\$5,289,690

Source: IMPLAN



Alternative C: State and Local Tax Revenue During Operations Phase, High Range

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$7,164	\$7,164
Social Ins Tax- Employee Contribution	\$87,957	\$0	\$0	\$0	\$0	\$87,957
Social Ins Tax- Employer Contribution	\$172,932	\$0	\$0	\$0	\$0	\$172,932
Tax on Production and Imports: Sales Tax	\$0	\$0	\$1,077,579	\$0	\$0	\$1,077,579
Tax on Production and Imports: Property Tax	\$0	\$0	\$951,447	\$0	\$0	\$951,447
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$71,750	\$0	\$0	\$71,750
Tax on Production and Imports: Severance Tax	\$0	\$0	\$2,083	\$0	\$0	\$2,083
Tax on Production and Imports: Other Taxes	\$0	\$0	\$160,746	\$0	\$0	\$160,746
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$14,782	\$0	\$0	\$14,782
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$150,368	\$150,368
Personal Tax: Income Tax	\$0	\$0	\$0	\$769,423	\$0	\$769,423
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$108,092	\$0	\$108,092
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$32,499	\$0	\$32,499
Personal Tax: Property Taxes	\$0	\$0	\$0	\$4,001	\$0	\$4,001
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$2,434	\$0	\$2,434
Total State and Local Tax	\$260,889	\$0	\$2,278,387	\$916,449	\$157,532	\$3,613,258

Source: IMPLAN

Alternative C: Federal Tax Revenue During Operations Phase, High Range

	Employee compensation	Proprietor Income	Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$1,267,212	\$0	\$0	\$0	\$0	\$1,267,212
Social Ins Tax- Employer Contribution	\$1,651,614	\$0	\$0	\$0	\$0	\$1,651,614
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$574,585	\$0	\$0	\$574,585
Tax on Production and Imports: Custom Duty	\$0	\$0	\$227,794	\$0	\$0	\$227,794
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$65,278	\$0	\$0	\$65,278
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$662,325	\$662,325
Personal Tax: Income Tax	\$0	\$0	\$0	\$2,184,782	\$0	\$2,184,782
Total Federal Tax	\$2,918,826	\$0	\$867,658	\$2,184,782	\$662,325	\$6,633,590

Source: IMPLAN

POPULATION/LABOR IMPACT

A retail complex in Galt would have a relatively imperceptible impact on the labor market, with the possible exception of that on Galt residents. GMA based this assertion on the fact that at the two county-wide level, there is a combined labor force of nearly 1 million, as summarized in the Employment Data section of this report, for which the unemployment level varied by several thousand on a month to month basis. GMA therefore assumed no change in population, but some possibilities for employment locally.



V. PREFERRED SITE ALTERNATIVES – CITY OF GALT IMPACTS

The IMPLAN results for the City of Galt are based on IMPLAN multipliers for the zip code in which the City of Galt and surrounding areas are located in.

CONSTRUCTION IMPACTS

During the construction phase for Alternative A and Alternative B, 431 and 262 direct jobs are estimated to be created respectively. Induced job creation for Alternatives A and B are 45 and 27 jobs respectively. The total effect for employment during the construction of a casino resort in Alternative A is estimated to generate 506 jobs. Alternative B is projected to create 308 jobs for Galt residents. For Alternative A, a total effect of \$30.2 million in labor income is estimated. This figure consists of \$26.4 million in direct effects, \$1.9 million in indirect effects, and \$1.8 million in induced effects for Galt residents. For Alternative B, a total effect of \$18.3 million in labor income is estimated to accrue to Galt residents. This figure consists of \$16.1 million in direct effects, \$1.2 million in indirect effects, and \$1.1 million in induced effects. Direct economic output of \$53.5 million, \$5.2 million in indirect output, and \$7.1 million in induced output combine for a total of \$65.8 million in total economic output during the construction phase for Alternative A.

Direct economic output of \$32.6 million, \$3.1 million in indirect output, and \$4.3 million in induced output combine for a total of \$40.0 million in total economic output during the construction phase for Alternative B. The construction of a retail facility in Alternative C is expected to generate 378 direct jobs, 26 jobs from indirect impacts, and 39 jobs from induced impacts. As a result of the direct jobs creation, \$23.1 million in labor income is expected to accrue to City of Galt residents. Indirect wages in other sectors are projected to total \$1.7 million. Incremental regional consumption attributable to these earnings are projected to create an induced impact of \$1.6 million in earnings, for a total Galt labor income growth of \$26.4 million.

The following table summarizes the Employment, Labor Income, and Output economic impacts by direct, indirect, and induced effects for Alternatives A, B, and C during the construction phase.



Construction Phase Impacts - City of Galt			
	Employment	Labor Income	Output
Alternative A			
Direct Effect	431	\$26,383,988	\$53,503,322
Indirect Effect	30	\$1,948,090	\$5,168,213
Induced Effect	45	\$1,828,909	\$7,102,335
Total Effect	506	\$30,160,986	\$65,773,870
Alternative B			
Direct Effect	262	\$16,050,647	\$32,557,518
Indirect Effect	18	\$1,185,683	\$3,145,388
Induced Effect	27	\$1,112,653	\$4,320,843
Total Effect	308	\$18,348,982	\$40,023,748
Alternative C			
Direct Effect	378	\$23,099,619	\$46,849,342
Indirect Effect	26	\$1,705,987	\$4,525,789
Induced Effect	39	\$1,601,268	\$6,218,320
Total Effect	443	\$26,406,874	\$57,593,451
Source: GMA, IMPLAN			

OPERATIONAL IMPACTS

GMA estimated the impacts for Galt based on an evaluation of drive-time demographics combined with a survey of select large retailers located in Galt. Galt residents account for approximately 2% of all residents within a 30 minute drive from the Preferred site. Based on gravity weightings, Galt residents are three times as likely to work in Galt versus non-Galt residents within a 15 minute drive time of the Preferred site. Non-Galt residents within a 15-30 minute drive would be an eighth (12.5%) as likely to work in Galt versus non-Galt residents within a 15 drive. This fractional gravity weighting assumes ample employment options that are geographically closer to those residents in the 15 to 30 minute drive time band.

The following table demonstrates the gravity analysis based on population data and drive time demographics. As a result, GMA estimates that nearly 25% of workers at the casino or retail facility may reside in Galt. As a point of reference, anecdotal evidence from large retailers based in Galt suggests that over half of their respective labor force is made up of Galt residents. However, given that the development site is located outside of the city center and on the interstate, the gravity allocation of 25% is more reasonable.



Galt Resident Gravity Analysis						
Drive Time Band	Galt/ Non-Galt Resident	Total Population	% of Total Population	Gravity Weighting	Adjusted Total	Adjusted Share
0-15 Minutes	Galt	24,472	2.0%	3.000	5.9%	24.6%
0-15 Minutes	Non-Galt	83,270	6.7%	1.000	6.7%	28.0%
15-30 Minutes	Non-Galt	1,129,480	91.3%	0.125	11.4%	47.4%
Total		1,237,222	100.0%		24.1%	100.0%
Source: GMA						

As previously mentioned in this report, the regional two-county model projects direct employment of 2,014 jobs and 1,674 jobs for Alternatives A and B, respectively. Taking into consideration the possibility that the proposed casino resort may have a specialized labor demand and that the labor forecast for Alternatives A and B are greater than Alternative C, a slightly lower percentage is used to estimate casino related employment for Galt residents (from 25% to 20%). Therefore a more conservative estimate of 20% would apply to the direct employment under Alternatives A and B, or 403 jobs and 335 jobs, respectively. At the Galt level in Alternative C, IMPLAN projects direct employment between 919 and 1,153 jobs, net of substitution effects from other Galt businesses (this includes all employees at the proposed retail facility which may not be Galt residents). Applying the gravity methodology, GMA projects that 25% of these direct jobs would be Galt residents, or 230 jobs to 288 jobs. GMA makes no assumption regarding employment position types that Galt residents may attain versus non-Galt residents. As such, a 20% to 25% labor share would also reflect an estimate of a 20% to 25% share of direct labor earnings (GMA notes that in the casino model at the Galt level it is not necessary to consider substitution effects from casinos elsewhere in Sacramento County which reduced the net gratuity income forecast for the two-county model).

At the regional two-county model, direct spending estimates for Alternatives A and B were based on casino resort operating expenses including labor. Direct spending at the Galt level is narrowed to include only the volume of labor that is local and the projected casino expenditures occurring in the city. Based on the cash flow forecast for the casino, GMA estimates that approximately 33.5% of direct non-labor spending in Alternative A and 31.7% in Alternative B would occur in Galt.

For Alternative C, Low and High scenarios, the City of Galt retail models differ from the two-county model in that there is less of a likelihood of substitution from other Galt businesses than could be assumed for businesses from the combined Sacramento/San Joaquin market area (i.e. if shoppers go to a mall in Galt instead of in Stockton, it benefits Galt, but it may be a net zero impact on the combined Sacramento/San Joaquin market). Overall, in the two-county model,



GMA projected direct employment at the retail complex in the range of 1,175 to 1,382 jobs. However, this projection was discounted by 50 percent to account for regional market substitution to arrive at a range of 588 to 691 jobs. At the two-county level, from an output standpoint the substitution effects of 65 percent for the High Range to 75 percent for the Low Range are greater than that of the employment.¹⁵ Distilling the impact for Galt, GMA projects that approximately 75 to 80 percent of gross jobs and wages (i.e. before substitution effects) described above would occur outside the city limits of Galt. Consequently, 20 to 25 percent of the gross jobs and wages would accrue to Galt residents. GMA projects that approximately 67 percent of the gross output would occur outside of Galt and 33 percent in Galt. The retail impacts on the City of Galt will likely be greater than for the two-county area, even though the two counties are larger, on account of this substitution effect.

Additionally, the impacts projected are sensitive with respect to the volume of labor that comes from the City of Galt to work in either the casino resort or in a retail complex. Currently, the size of the Galt labor force would need to increase to meet the demand. However, an analysis of recessions illustrates that during periods of a decrease in the availability of jobs, individuals choose to leave the labor force and not work. As economies (both local and national) improve, individuals choose to enter the labor force due to the availability of jobs. As such, it is reasonable to assume that the population in Galt, CA is great enough to provide its share of labor supply as expected for this facility.

The following table summarizes the Employment, Labor Income, and Output economic impacts by direct, indirect, and induced effects for Alternatives A, B, and C (Low and High Range) during operations.

¹⁵ It is reasonable to expect that revenue declines for retail would be at a greater percentage than the decline in employment. For example, stores that lose 25 percent of their business may be incapable of operating with 25 percent less labor.



Operations Impacts - City of Galt			
	Annual Employment	Annual Labor Income	Annual Output
Alternative A			
Direct Effect	403	\$19,083,251	\$81,620,033
Indirect Effect	53	\$3,115,780	\$8,015,578
Induced Effect	32	\$1,431,772	\$5,572,869
Total Effect	488	\$23,630,803	\$95,208,480
Alternative B			
Direct Effect	335	\$16,273,730	\$61,371,786
Indirect Effect	40	\$2,339,894	\$6,026,019
Induced Effect	27	\$1,200,420	\$4,672,366
Total Effect	402	\$19,814,044	\$72,070,171
Alternative C - Low Range			
Direct Effect	230	\$8,812,368	\$34,148,161
Indirect Effect	34	\$2,018,069	\$5,623,652
Induced Effect	13	\$605,056	\$2,093,893
Total Effect	278	\$11,435,493	\$41,865,706
Alternative C - High Range			
Direct Effect	288	\$11,055,492	\$41,671,293
Indirect Effect	42	\$2,492,850	\$6,946,629
Induced Effect	17	\$759,080	\$2,585,872
Total Effect	348	\$14,307,422	\$51,203,794
Source: GMA, IMPLAN			

FISCAL IMPACTS

Fiscal impacts for Alternatives A, B, and C resulting from the construction of the project and ongoing operations are summarized below. Each table estimates local and state taxes revenues generated by the economic activity within zip code 95632, which encompasses the City of Galt. The construction phase illustrates a one-time impact as a result of the construction of the facility assumed in each scenario whereas the operations tables represent an ongoing impact of stabilized operations. Sales taxes, property taxes, other taxes, and S/L non-taxes have been adjusted by the ratio of indirect and induced output to the total output at the state and local level. This adjustment reflects the exemption status of direct spending occurring at the facility.



Alternative A: State and Local Tax Revenue During Construction Phase - City of Galt

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$1,279	\$1,279
Social Ins Tax- Employee Contribution	\$83,210	\$0	\$0	\$0	\$0	\$83,210
Social Ins Tax- Employer Contribution	\$163,600	\$0	\$0	\$0	\$0	\$163,600
Tax on Production and Imports: Sales Tax	\$0	\$0	\$708,305	\$0	\$0	\$708,305
Tax on Production and Imports: Property Tax	\$0	\$0	\$625,397	\$0	\$0	\$625,397
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$15,480	\$0	\$0	\$15,480
Tax on Production and Imports: Severance Tax	\$0	\$0	\$449	\$0	\$0	\$449
Tax on Production and Imports: Other Taxes	\$0	\$0	\$105,661	\$0	\$0	\$105,661
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$9,716	\$0	\$0	\$9,716
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$26,854	\$26,854
Personal Tax: Income Tax	\$0	\$0	\$0	\$793,284	\$0	\$793,284
Personal Tax: NonTaxes (Fines- Fees)	\$0	\$0	\$0	\$111,444	\$0	\$111,444
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$33,507	\$0	\$33,507
Personal Tax: Property Taxes	\$0	\$0	\$0	\$12,568	\$0	\$12,568
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$7,647	\$0	\$7,647
Total State and Local Tax	\$246,810	\$0	\$1,465,008	\$958,450	\$28,133	\$2,698,401

Source: IMPLAN, GMA

Alternative B: State and Local Tax Revenue During Construction Phase - City of Galt

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$780	\$780
Social Ins Tax- Employee Contribution	\$50,626	\$0	\$0	\$0	\$0	\$50,626
Social Ins Tax- Employer Contribution	\$99,537	\$0	\$0	\$0	\$0	\$99,537
Tax on Production and Imports: Sales Tax	\$0	\$0	\$433,307	\$0	\$0	\$433,307
Tax on Production and Imports: Property Tax	\$0	\$0	\$382,588	\$0	\$0	\$382,588
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$9,470	\$0	\$0	\$9,470
Tax on Production and Imports: Severance Tax	\$0	\$0	\$275	\$0	\$0	\$275
Tax on Production and Imports: Other Taxes	\$0	\$0	\$64,638	\$0	\$0	\$64,638
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$5,944	\$0	\$0	\$5,944
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$16,379	\$16,379
Personal Tax: Income Tax	\$0	\$0	\$0	\$482,606	\$0	\$482,606
Personal Tax: NonTaxes (Fines- Fees)	\$0	\$0	\$0	\$67,799	\$0	\$67,799
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$20,384	\$0	\$20,384
Personal Tax: Property Taxes	\$0	\$0	\$0	\$7,646	\$0	\$7,646
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$4,652	\$0	\$4,652
Total State and Local Tax	\$150,163	\$0	\$896,222	\$583,087	\$17,159	\$1,646,631

Source: IMPLAN, GMA



Alternative C: State and Local Tax Revenue During Construction Phase - City of Galt

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$1,122	\$1,122
Social Ins Tax- Employee Contribution	\$72,856	\$0	\$0	\$0	\$0	\$72,856
Social Ins Tax- Employer Contribution	\$143,242	\$0	\$0	\$0	\$0	\$143,242
Tax on Production and Imports: Sales Tax	\$0	\$0	\$621,843	\$0	\$0	\$621,843
Tax on Production and Imports: Property Tax	\$0	\$0	\$549,056	\$0	\$0	\$549,056
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$13,590	\$0	\$0	\$13,590
Tax on Production and Imports: Severance Tax	\$0	\$0	\$395	\$0	\$0	\$395
Tax on Production and Imports: Other Taxes	\$0	\$0	\$92,763	\$0	\$0	\$92,763
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$8,530	\$0	\$0	\$8,530
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$23,541	\$23,541
Personal Tax: Income Tax	\$0	\$0	\$0	\$694,543	\$0	\$694,543
Personal Tax: NonTaxes (Fines- Fees)	\$0	\$0	\$0	\$97,572	\$0	\$97,572
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$29,336	\$0	\$29,336
Personal Tax: Property Taxes	\$0	\$0	\$0	\$11,003	\$0	\$11,003
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$6,696	\$0	\$6,696
Total State and Local Tax	\$216,098	\$0	\$1,286,177	\$839,150	\$24,663	\$2,366,088

Source: IMPLAN, GMA

Alternative A: State and Local Tax Revenue During Operations Phase - City of Galt

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$8,330	\$8,330
Social Ins Tax- Employee Contribution	\$74,418	\$0	\$0	\$0	\$0	\$74,418
Social Ins Tax- Employer Contribution	\$146,312	\$0	\$0	\$0	\$0	\$146,312
Tax on Production and Imports: Sales Tax	\$0	\$0	\$607,227	\$0	\$0	\$607,227
Tax on Production and Imports: Property Tax	\$0	\$0	\$536,151	\$0	\$0	\$536,151
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$92,982	\$0	\$0	\$92,982
Tax on Production and Imports: Severance Tax	\$0	\$0	\$2,699	\$0	\$0	\$2,699
Tax on Production and Imports: Other Taxes	\$0	\$0	\$90,582	\$0	\$0	\$90,582
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$8,330	\$0	\$0	\$8,330
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$174,855	\$174,855
Personal Tax: Income Tax	\$0	\$0	\$0	\$600,632	\$0	\$600,632
Personal Tax: NonTaxes (Fines- Fees)	\$0	\$0	\$0	\$84,379	\$0	\$84,379
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$25,370	\$0	\$25,370
Personal Tax: Property Taxes	\$0	\$0	\$0	\$1,358	\$0	\$1,358
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$826	\$0	\$826
Total State and Local Tax	\$220,730	\$0	\$1,337,972	\$712,565	\$183,185	\$2,454,452

Source: IMPLAN, GMA



Alternative B: State and Local Tax Revenue During Operations Phase - City of Galt

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$6,290	\$6,290
Social Ins Tax- Employee Contribution	\$62,461	\$0	\$0	\$0	\$0	\$62,461
Social Ins Tax- Employer Contribution	\$122,804	\$0	\$0	\$0	\$0	\$122,804
Tax on Production and Imports: Sales Tax	\$0	\$0	\$477,175	\$0	\$0	\$477,175
Tax on Production and Imports: Property Tax	\$0	\$0	\$421,322	\$0	\$0	\$421,322
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$70,252	\$0	\$0	\$70,252
Tax on Production and Imports: Severance Tax	\$0	\$0	\$2,040	\$0	\$0	\$2,040
Tax on Production and Imports: Other Taxes	\$0	\$0	\$71,182	\$0	\$0	\$71,182
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$6,546	\$0	\$0	\$6,546
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$132,025	\$132,025
Personal Tax: Income Tax	\$0	\$0	\$0	\$503,571	\$0	\$503,571
Personal Tax: NonTaxes (Fines- Fees)	\$0	\$0	\$0	\$70,744	\$0	\$70,744
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$21,270	\$0	\$21,270
Personal Tax: Property Taxes	\$0	\$0	\$0	\$1,184	\$0	\$1,184
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$721	\$0	\$721
Total State and Local Tax	\$185,265	\$0	\$1,048,517	\$597,490	\$138,315	\$1,969,587

Source: IMPLAN, GMA

Alternative C - Low Range: State and Local Tax Revenue During Operations Phase - City of Galt

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$5,094	\$5,094
Social Ins Tax- Employee Contribution	\$144,428	\$0	\$0	\$0	\$0	\$144,428
Social Ins Tax- Employer Contribution	\$283,960	\$0	\$0	\$0	\$0	\$283,960
Tax on Production and Imports: Sales Tax	\$0	\$0	\$849,315	\$0	\$0	\$849,315
Tax on Production and Imports: Property Tax	\$0	\$0	\$749,902	\$0	\$0	\$749,902
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$100,691	\$0	\$0	\$100,691
Tax on Production and Imports: Severance Tax	\$0	\$0	\$2,923	\$0	\$0	\$2,923
Tax on Production and Imports: Other Taxes	\$0	\$0	\$126,696	\$0	\$0	\$126,696
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$11,651	\$0	\$0	\$11,651
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$106,931	\$106,931
Personal Tax: Income Tax	\$0	\$0	\$0	\$1,254,555	\$0	\$1,254,555
Personal Tax: NonTaxes (Fines- Fees)	\$0	\$0	\$0	\$176,246	\$0	\$176,246
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$52,990	\$0	\$52,990
Personal Tax: Property Taxes	\$0	\$0	\$0	\$3,664	\$0	\$3,664
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$2,229	\$0	\$2,229
Total State and Local Tax	\$428,388	\$0	\$1,841,178	\$1,489,684	\$112,025	\$3,871,275

Source: IMPLAN, GMA



Alternative C - High Range: State and Local Tax Revenue During Operations Phase - City of Galt

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$5,994	\$5,994
Social Ins Tax- Employee Contribution	\$169,881	\$0	\$0	\$0	\$0	\$169,881
Social Ins Tax- Employer Contribution	\$334,004	\$0	\$0	\$0	\$0	\$334,004
Tax on Production and Imports: Sales Tax	\$0	\$0	\$1,008,689	\$0	\$0	\$1,008,689
Tax on Production and Imports: Property Tax	\$0	\$0	\$890,622	\$0	\$0	\$890,622
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$118,412	\$0	\$0	\$118,412
Tax on Production and Imports: Severance Tax	\$0	\$0	\$3,438	\$0	\$0	\$3,438
Tax on Production and Imports: Other Taxes	\$0	\$0	\$150,470	\$0	\$0	\$150,470
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$13,837	\$0	\$0	\$13,837
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$125,807	\$125,807
Personal Tax: Income Tax	\$0	\$0	\$0	\$1,475,538	\$0	\$1,475,538
Personal Tax: NonTaxes (Fines- Fees)	\$0	\$0	\$0	\$207,290	\$0	\$207,290
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$62,324	\$0	\$62,324
Personal Tax: Property Taxes	\$0	\$0	\$0	\$4,352	\$0	\$4,352
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$2,648	\$0	\$2,648
Total State and Local Tax	\$503,885	\$0	\$2,185,468	\$1,752,152	\$131,801	\$4,573,306

Source: IMPLAN, GMA



VI. HISTORIC RANCHERIA SITE DEVELOPMENT

This section addresses the economic impact associated with developing on the Historic Rancheria site in Wilton, with the same alternative development parameters as proposed in Scenarios A and Scenario B. Aside from the change in assumed location, the site scale is considerably smaller, covering 75 acres on the Historic Rancheria, as compared to 282 acres in Galt.

ALTERNATIVE D – PROPOSED ACTION DEVELOPMENT

CONSTRUCTION IMPACTS

The building program for Alternative D is the same as assumed in Alternative A, though development costs differ based on different requirements related to pre-construction site work. GMA also notes that there would likely be a different division of impacts between Sacramento County and San Joaquin County relative to the Galt site, skewed in this alternative more towards Sacramento County due to the comparative distance from the San Joaquin County line. However, in the Galt alternatives GMA did not attempt to divide the impacts between counties, so there is no comparative analysis here to further differentiate these impacts.

CONSTRUCTION BUDGET

For Alternative D the estimated construction spending will be \$348 million, in 2014 dollars. Due to different site characteristics, the construction cost and related fees differ from that which is forecast for Alternative A in Galt. However, Soft Costs, FF&E and OS&E expenses are assumed to be identical for all three Preferred-scale alternatives. The following analysis details the project budget and resulting spending, jobs and earnings that could result from development of a preferred-scale casino resort development on the Historic Rancheria site.

Projected Development Costs

Construction and Site Work	\$247,698,056
General Conditions and Fee	\$25,471,813
Soft Costs	\$17,361,005
FF&E	\$49,173,222
OS&E	\$8,521,419
Total	\$348,225,515

Source: Boyd Gaming



TOTAL OUTPUT

The direct impact from construction-related activities and local procurement of FF&E and OS&E for Alternative D is estimated at \$289 million, with the balance of the \$348 million development costs having no local benefits. The indirect outputs resulting from development are estimated at \$74 million. The induced output is estimated at \$82 million. Overall, GMA projects that a total of approximately \$445 million in economic output would be generated within in the Sacramento County and San Joaquin County region during the construction phase of Alternative D. The following table summarizes these benefits, in 2014 dollars.

Alternative D: Total Output from Casino Resort Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$302,563	\$180,551	\$483,115
21 Mining	\$0	\$143,637	\$71,275	\$214,912
22 Utilities	\$0	\$987,868	\$1,088,916	\$2,076,785
23 Construction	\$273,169,857	\$683,221	\$488,797	\$274,341,875
31-33 Manufacturing	\$9,474,954	\$8,155,380	\$1,378,522	\$19,008,856
42 Wholesale Trade	\$933,503	\$7,017,398	\$3,734,558	\$11,685,458
44-45 Retail trade	\$0	\$1,452,829	\$10,559,315	\$12,012,144
48-49 Transportation & Warehousing	\$0	\$2,831,778	\$1,584,661	\$4,416,439
51 Information	\$0	\$6,233,034	\$4,041,793	\$10,274,827
52 Finance & insurance	\$0	\$7,091,956	\$8,648,014	\$15,739,970
53 Real estate & rental	\$0	\$5,238,136	\$19,467,139	\$24,705,275
54 Professional- scientific & tech svcs	\$4,992,201	\$22,661,042	\$3,053,562	\$30,706,805
55 Management of companies	\$0	\$1,422,653	\$459,915	\$1,882,568
56 Administrative & waste services	\$0	\$4,264,392	\$1,833,979	\$6,098,370
61 Educational svcs	\$0	\$17,058	\$1,571,728	\$1,588,786
62 Health & social services	\$0	\$2,141	\$13,672,031	\$13,674,172
71 Arts- entertainment & recreation	\$0	\$328,926	\$1,218,715	\$1,547,640
72 Accomodation & food services	\$0	\$1,240,554	\$4,458,674	\$5,699,228
81 Other services	\$0	\$3,254,341	\$4,130,969	\$7,385,311
92 Government & non NAICs	\$0	\$321,571	\$730,984	\$1,052,555
TOTAL	\$288,570,514	\$73,650,477	\$82,374,098	\$444,595,089
Source: IMPLAN				

TOTAL JOBS (MAN-YEARS)

The following table summarizes the number of man-years of employment that could be generated as a result of development of a preferred-scale casino on the Historic Rancheria site. The direct impact of construction is expected to generate 1,733 man-years of employment. An additional 478 man-years of employment are projected to be generated through indirect



impacts and 603 man-years through induced impacts. In total, the construction phase is projected to create 2,815 man-years of employment.

Alternative D: Total Employment Impact from Casino Resort Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	3
21 Mining	0	0	0	0
22 Utilities	0	1	1	2
23 Construction	1,659	5	3	1,667
31-33 Manufacturing	25	26	3	54
42 Wholesale Trade	4	33	18	55
44-45 Retail trade	0	18	128	146
48-49 Transportation & Warehousing	0	20	12	32
51 Information	0	14	11	25
52 Finance & insurance	0	29	37	65
53 Real estate & rental	0	24	30	54
54 Professional- scientific & tech svcs	44	171	22	237
55 Management of companies	0	7	2	9
56 Administrative & waste services	0	69	29	98
61 Educational svcs	0	0	23	24
62 Health & social services	0	0	124	124
71 Arts- entertainment & recreation	0	5	21	26
72 Accommodation & food services	0	20	72	92
81 Other services	0	33	62	95
92 Government & non NAICs	0	2	5	7
TOTAL	1,733	478	603	2,815
<i>Source: IMPLAN</i>				

The jobs created during the construction process will be in a variety of industries, naturally led by construction-related employment. The induced and indirect jobs created would naturally be in the same industries as the other casino resort construction alternatives. Major industry sectors for which new jobs will be created include architectural, engineering and related services, followed by food service and drinking places, wholesale trade businesses, real estate establishments and employment services. Consulting services, ranging from environmental analysis to specialized design services, also can expect job creation from this alternative.

TOTAL LABOR INCOME

The total labor income that will be generated during the construction phase in Alternative D is summarized in the following table. As a result of the creation of the direct jobs, \$116 million in



labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$30 million. Incremental regional consumption attributable to these earnings is projected to create an induced impact of \$28 million in regional earnings, for a total regional labor income growth of \$174.5 million.

Alternative D: Household Earnings Impact from Casino Resort Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$95,191	\$85,762	\$180,952
21 Mining	\$0	\$16,339	\$7,195	\$23,534
22 Utilities	\$0	\$178,125	\$198,625	\$376,750
23 Construction	\$112,683,408	\$306,288	\$201,578	\$113,191,274
31-33 Manufacturing	\$1,015,847	\$1,741,668	\$189,974	\$2,947,489
42 Wholesale Trade	\$334,270	\$2,411,580	\$1,283,408	\$4,029,258
44-45 Retail trade	\$0	\$705,139	\$4,961,664	\$5,666,803
48-49 Transportation & Warehousing	\$0	\$1,273,475	\$751,355	\$2,024,829
51 Information	\$0	\$1,029,525	\$697,468	\$1,726,994
52 Finance & insurance	\$0	\$1,795,523	\$2,664,825	\$4,460,348
53 Real estate & rental	\$0	\$716,485	\$442,003	\$1,158,488
54 Professional- scientific & tech svcs	\$2,379,427	\$13,300,157	\$1,425,356	\$17,104,940
55 Management of companies	\$0	\$694,358	\$224,472	\$918,829
56 Administrative & waste services	\$0	\$2,548,679	\$1,047,259	\$3,595,938
61 Educational svcs	\$0	\$9,097	\$839,721	\$848,818
62 Health & social services	\$0	\$1,179	\$8,282,510	\$8,283,688
71 Arts- entertainment & recreation	\$0	\$135,648	\$487,704	\$623,351
72 Accomodation & food services	\$0	\$462,519	\$1,665,427	\$2,127,945
81 Other services	\$0	\$2,173,107	\$2,384,816	\$4,557,923
92 Government & non NAICs	\$0	\$201,586	\$431,377	\$632,963
TOTAL	\$116,412,952	\$29,795,665	\$28,272,498	\$174,481,115
Source: IMPLAN				

OPERATIONAL IMPACTS

Based on Boyd Gaming's revenue projections for Alternative D for gaming and non-gaming activities, as well as GMA's projected substitution effects relative to Cache Creek and Thunder Valley, GMA estimated the net impact from ongoing operations. Boyd Gaming projects gross casino resort revenues of \$348 million for this location, comparable to that of Alternative B. Substitution effects are projected to net this total down to \$314 million. A casino resort at the Wilton Rancheria site is projected to employ a full-time equivalent of 1,870 persons.



TOTAL OUTPUT

The direct impact from Alternative D casino and ancillary amenity operation is estimated at \$241 million, net of substitution effects. The net indirect outputs resulting from operation are estimated at \$60 million. Increased consumption attributable to the direct and indirect outputs is projected to induce \$61 million of output. Overall, GMA projects that approximately \$362 million in economic output would be generated within in the Sacramento County and San Joaquin County region annually if a preferred-scale casino on the Wilton Rancheria is operational, in 2019 dollars. The table below summarizes these benefits.

Alternative D: Total Annual Output Economic Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$95,553	\$124,870	\$220,423
21 Mining	\$0	\$105,593	\$56,252	\$161,845
22 Utilities	\$0	\$2,179,834	\$803,434	\$2,983,269
23 Construction	\$0	\$1,018,109	\$345,040	\$1,363,149
31-33 Manufacturing	\$0	\$1,722,869	\$981,431	\$2,704,299
42 Wholesale Trade	\$0	\$1,332,819	\$2,596,712	\$3,929,532
44-45 Retail trade	\$1,353,085	\$228,795	\$7,536,597	\$9,118,477
48-49 Transportation & Warehousing	\$0	\$1,532,056	\$1,145,098	\$2,677,154
51 Information	\$0	\$8,459,595	\$2,931,046	\$11,390,641
52 Finance & insurance	\$0	\$5,166,522	\$6,349,343	\$11,515,864
53 Real estate & rental	\$0	\$4,639,425	\$14,678,669	\$19,318,094
54 Professional- scientific & tech svcs	\$0	\$15,766,771	\$2,352,678	\$18,119,449
55 Management of companies	\$0	\$4,704,580	\$354,068	\$5,058,649
56 Administrative & waste services	\$0	\$5,554,229	\$1,371,410	\$6,925,639
61 Educational svcs	\$0	\$14,869	\$1,146,613	\$1,161,482
62 Health & social services	\$0	\$13,867	\$10,518,769	\$10,532,636
71 Arts- entertainment & recreation	\$202,547,254	\$1,798,297	\$921,292	\$205,266,842
72 Accomodation & food services	\$37,070,926	\$1,683,802	\$3,312,256	\$42,066,985
81 Other services	\$0	\$2,632,532	\$3,044,728	\$5,677,261
92 Government & non NAICs	\$0	\$1,151,279	\$552,125	\$1,703,404
TOTAL	\$240,971,266	\$59,801,396	\$61,122,433	\$361,895,095
Source: IMPLAN				

TOTAL JOBS

The following table summarizes the net total FTE employment growth that could be generated as a result of the operation of a preferred-scale casino on Wilton's Historic Rancheria site. Based on GMA's staffing models, together with input from Boyd Gaming, GMA projects direct



FTE employment to equate to 1,870 jobs. An additional 370 jobs are projected to be generated through indirect impacts and 399 through induced impacts. In total, the operation of an Alternative D preferred-scale casino on the Historic Rancheria site is projected to generate 2,639 jobs.

Alternative D: Total Annual Employment Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	1
21 Mining	0	0	0	0
22 Utilities	0	2	1	3
23 Construction	0	6	2	8
31-33 Manufacturing	0	5	2	7
42 Wholesale Trade	0	6	12	18
44-45 Retail trade	39	3	84	126
48-49 Transportation & Warehousing	0	11	8	19
51 Information	0	29	7	37
52 Finance & insurance	0	20	24	44
53 Real estate & rental	0	19	20	39
54 Professional- scientific & tech svcs	0	91	14	105
55 Management of companies	0	20	2	22
56 Administrative & waste services	0	77	19	96
61 Educational svcs	0	0	15	15
62 Health & social services	0	0	82	82
71 Arts- entertainment & recreation	1,152	22	14	1,187
72 Accommodation & food services	679	24	48	751
81 Other services	0	25	41	66
92 Government & non NAICs	0	9	3	12
TOTAL	1,870	370	399	2,639
Source: IMPLAN				

As evident from the table above, there are over 750 jobs that will be created outside of the casino through indirect and induced spending. As could be expected, a casino resort at the Historic Rancheria would impact similar industries through indirect and induced spending as one would in Galt. Based on the IMPLAN results, GMA notes that the major industries that will be indirectly impacted will be business support services, wholesale trade, food and drinking places, advertising services and several industry categories related to health care (ranging from doctors' offices to elderly care facilities).

TOTAL LABOR INCOME

The total new labor income that could be generated annually as a result of the operation of a preferred-scale casino at the Historic Rancheria site in Alternative D is summarized in the following table. As a result of the creation of the net new direct jobs, \$86 million in annual



labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$22 million, while incremental regional consumption attributable to these direct and indirect earnings are projected to create an induced impact of \$21 million. As a result, a preferred-scale casino on the Historic Rancheria site could sustain growth in total regional labor income of \$129 million, as summarized in the following tables.

Alternative D: Total Annual Labor Income Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$29,068	\$63,058	\$92,125
21 Mining	\$0	\$9,815	\$5,311	\$15,125
22 Utilities	\$0	\$401,532	\$146,799	\$548,331
23 Construction	\$0	\$474,507	\$147,916	\$622,422
31-33 Manufacturing	\$0	\$321,986	\$139,673	\$461,659
42 Wholesale Trade	\$0	\$488,483	\$951,705	\$1,440,188
44-45 Retail trade	\$1,114,032	\$113,695	\$3,626,598	\$4,854,325
48-49 Transportation & Warehousing	\$0	\$797,093	\$548,626	\$1,345,720
51 Information	\$0	\$2,169,252	\$513,258	\$2,682,511
52 Finance & insurance	\$0	\$1,713,127	\$1,945,835	\$3,658,961
53 Real estate & rental	\$0	\$321,514	\$328,613	\$650,127
54 Professional- scientific & tech svcs	\$0	\$6,469,017	\$1,042,538	\$7,511,555
55 Management of companies	\$0	\$2,192,804	\$165,031	\$2,357,836
56 Administrative & waste services	\$0	\$3,044,570	\$768,267	\$3,812,837
61 Educational svcs	\$0	\$7,920	\$603,334	\$611,254
62 Health & social services	\$0	\$7,458	\$6,100,177	\$6,107,635
71 Arts- entertainment & recreation	\$62,601,373	\$561,464	\$355,711	\$63,518,547
72 Accomodation & food services	\$22,147,125	\$619,992	\$1,220,679	\$23,987,796
81 Other services	\$0	\$1,898,272	\$1,743,096	\$3,641,368
92 Government & non NAICs	\$0	\$846,022	\$316,051	\$1,162,073
TOTAL	\$85,862,531	\$22,487,590	\$20,732,275	\$129,082,396
<i>Source: IMPLAN</i>				

TOTAL FISCAL IMPACT

There will be fiscal impacts resulting from the construction and operation of the casino resort at the local, county, state and federal levels from a variety of taxes. In some cases there may be tax exemptions due to purchases by the Rancheria. The IMPLAN model creates a projection of the total taxes, such that these discounts are not reflected in the resulting tables. State and local taxes during the construction phase are projected to total approximately \$17.3 million, the majority of which would be taxes on construction materials and property taxes. An



additional \$30.8 million would be paid in federal taxes. The following tables detail tax revenues during the construction phase for Alternative D.

Alternative D: State and Local Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$32,730	\$32,730
Social Ins Tax- Employee Contribution	\$419,443	\$0	\$0	\$0	\$0	\$419,443
Social Ins Tax- Employer Contribution	\$824,667	\$0	\$0	\$0	\$0	\$824,667
Tax on Production and Imports: Sales Tax	\$0	\$0	\$5,031,381	\$0	\$0	\$5,031,381
Tax on Production and Imports: Property Tax	\$0	\$0	\$4,442,455	\$0	\$0	\$4,442,455
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$109,958	\$0	\$0	\$109,958
Tax on Production and Imports: Severance Tax	\$0	\$0	\$3,192	\$0	\$0	\$3,192
Tax on Production and Imports: Other Taxes	\$0	\$0	\$750,551	\$0	\$0	\$750,551
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$69,020	\$0	\$0	\$69,020
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$687,023	\$687,023
Personal Tax: Income Tax	\$0	\$0	\$0	\$4,041,609	\$0	\$4,041,609
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$567,783	\$0	\$567,783
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$170,711	\$0	\$170,711
Personal Tax: Property Taxes	\$0	\$0	\$0	\$64,029	\$0	\$64,029
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$38,962	\$0	\$38,962
Total State and Local Tax	\$1,244,110	\$0	\$10,406,558	\$4,883,094	\$719,754	\$17,253,516

Source: IMPLAN

Alternative D: Federal Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$6,042,988	\$1,029,549	\$0	\$0	\$0	\$7,072,537
Social Ins Tax- Employer Contribution	\$7,876,096	\$0	\$0	\$0	\$0	\$7,876,096
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$880,561	\$0	\$0	\$880,561
Tax on Production and Imports: Custom Duty	\$0	\$0	\$349,098	\$0	\$0	\$349,098
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$100,040	\$0	\$0	\$100,040
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$3,026,122	\$3,026,122
Personal Tax: Income Tax	\$0	\$0	\$0	\$11,476,180	\$0	\$11,476,180
Total Federal Tax	\$13,919,084	\$1,029,549	\$1,329,699	\$11,476,180	\$3,026,122	\$30,780,634

Source: IMPLAN

Annually during the operations phase, \$12.4 million in state and local taxes, and \$28.2 million in federal taxes resulting from indirect and induced spending are projected. Sales taxes, property taxes, other taxes, and S/L non-taxes have been adjusted by the ratio of indirect and induced output to the total output at the state and local level. This adjustment reflects the exemption status of direct spending occurring at the facility. There would be additional state and federal tax revenues from incomes of casino resort workers, not accounted for in the IMPLAN model. To the extent that any purchases made at the resort will be taxable (i.e. if a bed occupancy tax



is considered), this would also not be represented in these figures. The following tables detail annual tax revenues during the operations phase for Alternative D.

Alternative D: State and Local Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$58,835	\$58,835
Social Ins Tax- Employee Contribution	\$354,169	\$0	\$0	\$0	\$0	\$354,169
Social Ins Tax- Employer Contribution	\$696,332	\$0	\$0	\$0	\$0	\$696,332
Tax on Production and Imports: Sales Tax	\$0	\$0	\$3,094,857	\$0	\$0	\$3,094,857
Tax on Production and Imports: Property Tax	\$0	\$0	\$2,732,603	\$0	\$0	\$2,732,603
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$202,420	\$0	\$0	\$202,420
Tax on Production and Imports: Severance Tax	\$0	\$0	\$5,877	\$0	\$0	\$5,877
Tax on Production and Imports: Other Taxes	\$0	\$0	\$461,672	\$0	\$0	\$461,672
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$42,455	\$0	\$0	\$42,455
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$1,234,969	\$1,234,969
Personal Tax: Income Tax	\$0	\$0	\$0	\$2,930,299	\$0	\$2,930,299
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$411,662	\$0	\$411,662
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$123,771	\$0	\$123,771
Personal Tax: Property Taxes	\$0	\$0	\$0	\$15,512	\$0	\$15,512
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$9,439	\$0	\$9,439
Total State and Local Tax	\$1,050,501	\$0	\$6,539,884	\$3,490,683	\$1,293,804	\$12,374,872

Source: IMPLAN

Alternative D: Federal Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$5,102,571	\$203,403	\$0	\$0	\$0	\$5,305,974
Social Ins Tax- Employer Contribution	\$6,650,408	\$0	\$0	\$0	\$0	\$6,650,408
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$1,621,003	\$0	\$0	\$1,621,003
Tax on Production and Imports: Custom Duty	\$0	\$0	\$642,646	\$0	\$0	\$642,646
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$184,161	\$0	\$0	\$184,161
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$5,439,650	\$5,439,650
Personal Tax: Income Tax	\$0	\$0	\$0	\$8,320,607	\$0	\$8,320,607
Total Federal Tax	\$11,752,979	\$203,403	\$2,447,810	\$8,320,607	\$5,439,650	\$28,164,449

Source: IMPLAN

POPULATION/LABOR IMPACT

Given that the casino resort is projected to create 2,815 man-years of employment temporarily during the construction phase and 1,870 permanent positions once operational, GMA can consider how those increases in employed persons will affect the population and economy as a whole. The total jobs impact once operational, including indirect and induced jobs, is projected to be 2,639. The combined level of unemployment for the two counties for the last 12 months



averaged approximately 88,300 (see Economic and Demographic Data section above), down from a recent peak of 139,000 in 2010, such that there is an ample labor pool to support the venue and the related ripple effects. This could potentially lower the regional unemployment rate by between 0.25 percent and 0.3 percent (a slightly smaller impact than in Alternative A), which would suggest there will not be the negative impact that would otherwise result if there was a need for workers to move into the region to support the labor demands. In GMA's experience, the change in local unemployment levels are generally smaller than the potential, as some individuals re-enter the labor market, move from part-time work or underemployment to one of these jobs (thus considered already as being employed), or move into the area.

ALTERNATIVE E – REDUCED INTENSITY DEVELOPMENT

CONSTRUCTION IMPACTS

As discussed in Alternative D, the main differences between the construction impact in Galt and on the Historic Rancheria site will be with respect to what counties or jurisdictions the construction dollars are spent and how much is spent preparing the site for construction. Theoretically, being further to the north, this Rancheria site alternative would have a higher ratio of spending in Sacramento County, though it is possible that there would be no difference in decisions for the construction management team.

CONSTRUCTION BUDGET

The following table outlines the projected development cost and parameters for a reduced-scale casino on the Historic Rancheria, based on input provided to GMA by Boyd Gaming, presented in 2014 dollars. Based on the cost breakdown by element, GMA estimates that \$176 million of the total \$232 million development cost will be spent regionally, with the balance being imported FF&E, non-local professional fees or financing costs.

Projected Development Costs	
Construction and Site Work	\$152,821,679
General Conditions and Fee	\$15,715,284
Soft Costs	\$17,161,005
FF&E	\$39,363,945
OS&E	\$7,296,560
Total	\$232,358,473
Source: Boyd Gaming	



TOTAL OUTPUT

The direct impact from construction-related activities and local procurement of FF&E for Alternative E is estimated at \$176 million. The indirect outputs resulting from development are estimated at \$45 million. The induced output is estimated at \$51 million. Overall, GMA projects that a total of approximately \$272 million in economic output would be generated within Sacramento County and San Joaquin County region during the construction phase of Alternative E. The following table summarizes these benefits, in 2014 dollars.

Alternative E: Total Output from Casino Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$186,153	\$111,935	\$298,089
21 Mining	\$0	\$87,832	\$44,187	\$132,019
22 Utilities	\$0	\$595,191	\$675,081	\$1,270,273
23 Construction	\$168,536,956	\$412,859	\$303,037	\$169,252,852
31-33 Manufacturing	\$2,117,996	\$4,985,597	\$854,631	\$7,958,225
42 Wholesale Trade	\$731,733	\$4,238,539	\$2,315,255	\$7,285,526
44-45 Retail trade	\$0	\$861,420	\$6,546,446	\$7,407,867
48-49 Transportation & Warehousing	\$0	\$1,706,964	\$982,445	\$2,689,409
51 Information	\$0	\$3,804,719	\$2,505,753	\$6,310,472
52 Finance & insurance	\$0	\$4,303,236	\$5,361,507	\$9,664,743
53 Real estate & rental	\$0	\$3,199,809	\$12,068,897	\$15,268,706
54 Professional- scientific & tech svcs	\$4,952,201	\$13,936,278	\$1,893,111	\$20,781,590
55 Management of companies	\$0	\$842,578	\$285,130	\$1,127,708
56 Administrative & waste services	\$0	\$2,659,768	\$1,137,003	\$3,796,771
61 Educational svcs	\$0	\$10,481	\$974,451	\$984,932
62 Health & social services	\$0	\$1,887	\$8,476,125	\$8,478,013
71 Arts- entertainment & recreation	\$0	\$201,087	\$755,568	\$956,655
72 Accommodation & food services	\$0	\$770,387	\$2,764,227	\$3,534,614
81 Other services	\$0	\$2,006,465	\$2,561,072	\$4,567,537
92 Government & non NAICs	\$0	\$196,386	\$453,184	\$649,570
TOTAL	\$176,338,886	\$45,007,636	\$51,069,046	\$272,415,568
Source: IMPLAN				

TOTAL JOBS (MAN-YEARS)

The following table summarizes the number of man-years of employment that could be generated as a result of development of a reduced-scale casino on the Historic Rancheria site. The direct impact of construction is expected to generate 1,078 man-years of employment. An additional 293 man-years of employment are projected to be generated through indirect impacts and 374 man-years through induced impacts. In total, the construction phase is projected to create 1,745 man-years of employment.



Alternative E: Total Employment Impact from Casino Construction

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	2
21 Mining	0	0	0	0
22 Utilities	0	1	1	1
23 Construction	1,024	3	2	1,028
31-33 Manufacturing	6	16	2	23
42 Wholesale Trade	4	20	11	35
44-45 Retail trade	0	10	79	90
48-49 Transportation & Warehousing	0	12	7	20
51 Information	0	9	7	16
52 Finance & insurance	0	17	23	40
53 Real estate & rental	0	15	19	34
54 Professional- scientific & tech svcs	45	105	13	164
55 Management of companies	0	4	1	6
56 Administrative & waste services	0	43	18	61
61 Educational svcs	0	0	14	15
62 Health & social services	0	0	77	77
71 Arts- entertainment & recreation	0	3	13	16
72 Accommodation & food services	0	13	45	57
81 Other services	0	20	39	59
92 Government & non NAICs	0	1	3	5
TOTAL	1,078	293	374	1,745

Source: IMPLAN

The jobs created during the construction process will be in a variety of industries, naturally led by construction-related employment. The induced and indirect jobs created would naturally be in the same industries as the other reduced-scale casino construction alternative. Major industry sectors for which new jobs will be created include architectural, engineering and related services, followed by food service and drinking places, wholesale trade businesses, real estate establishments and employment services. Consulting services, ranging from environmental analysis to specialized design services, also can expect job creation from this alternative.

TOTAL LABOR INCOME

The total labor income that will be generated during the construction phase in Alternative E is illustrated in the following table. As a result of the creation of the direct jobs, \$72.4 million in labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$18.3 million. Incremental regional



consumption attributable to these earnings is projected to create an induced impact of \$17.5 million in regional earnings, for a total regional labor income growth of \$108.2 million.

Alternative E: Household Earnings Impact from Casino Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$58,560	\$53,169	\$111,729
21 Mining	\$0	\$9,970	\$4,461	\$14,430
22 Utilities	\$0	\$107,356	\$123,139	\$230,495
23 Construction	\$69,522,014	\$185,083	\$124,971	\$69,832,068
31-33 Manufacturing	\$225,657	\$1,065,766	\$117,777	\$1,409,200
42 Wholesale Trade	\$255,360	\$1,456,605	\$795,654	\$2,507,619
44-45 Retail trade	\$0	\$418,095	\$3,076,077	\$3,494,172
48-49 Transportation & Warehousing	\$0	\$768,364	\$465,818	\$1,234,181
51 Information	\$0	\$627,193	\$432,404	\$1,059,597
52 Finance & insurance	\$0	\$1,089,607	\$1,652,112	\$2,741,719
53 Real estate & rental	\$0	\$438,928	\$274,020	\$712,948
54 Professional- scientific & tech svcs	\$2,378,264	\$8,192,303	\$883,675	\$11,454,242
55 Management of companies	\$0	\$411,239	\$139,164	\$550,403
56 Administrative & waste services	\$0	\$1,594,119	\$649,264	\$2,243,384
61 Educational svcs	\$0	\$5,589	\$520,616	\$526,205
62 Health & social services	\$0	\$1,039	\$5,134,832	\$5,135,871
71 Arts- entertainment & recreation	\$0	\$82,509	\$302,362	\$384,871
72 Accomodation & food services	\$0	\$287,241	\$1,032,508	\$1,319,749
81 Other services	\$0	\$1,338,970	\$1,478,512	\$2,817,482
92 Government & non NAICs	\$0	\$123,812	\$267,439	\$391,251
TOTAL	\$72,381,295	\$18,262,349	\$17,527,974	\$108,171,619
Source: IMPLAN				

OPERATIONAL IMPACTS

Based on Boyd Gaming's revenue projections for Alternative E for gaming and non-gaming activities, as well as substitution effects for Cache Creek and Thunder Valley, GMA calculated the estimated net impact from ongoing operations. This section of the report outlines the total output, jobs, labor income and fiscal impact of Alternative E operations, as calculated using the IMPLAN model.

TOTAL OUTPUT

Boyd Gaming projects gross revenues for the Alternative E casino property of \$271 million in 2019. The substitution effect is projected to total \$24 million, such that the net revenues would be \$247 million. The resulting casino spending, including labor expenses and gratuity income, is projected to have a \$191.1 million direct output impact. The net indirect outputs



resulting from operation are estimated at \$47.1 million. Increased consumption attributable to the direct and indirect outputs is projected to induce \$50.1 million of output. Overall, GMA projects that approximately \$288.3 million in economic output would be generated within in the Sacramento County and San Joaquin County region annually if a reduced-scale casino on the Historic Rancheria is operational, in 2019 dollars. The following table summarizes these benefits.

Alternative E: Total Annual Output Economic Impact from Casino Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$77,180	\$102,281	\$179,461
21 Mining	\$0	\$81,350	\$46,077	\$127,427
22 Utilities	\$0	\$1,696,003	\$658,117	\$2,354,121
23 Construction	\$0	\$772,080	\$282,618	\$1,054,698
31-33 Manufacturing	\$0	\$1,375,982	\$803,896	\$2,179,878
42 Wholesale Trade	\$0	\$1,071,786	\$2,127,109	\$3,198,895
44-45 Retail trade	\$1,126,726	\$182,436	\$6,172,965	\$7,482,128
48-49 Transportation & Warehousing	\$0	\$1,217,927	\$937,895	\$2,155,822
51 Information	\$0	\$6,628,645	\$2,400,853	\$9,029,497
52 Finance & insurance	\$0	\$4,087,499	\$5,200,499	\$9,287,998
53 Real estate & rental	\$0	\$3,675,757	\$12,023,323	\$15,699,080
54 Professional- scientific & tech svcs	\$0	\$12,497,936	\$1,927,011	\$14,424,947
55 Management of companies	\$0	\$3,709,970	\$290,018	\$3,999,988
56 Administrative & waste services	\$0	\$4,314,753	\$1,123,306	\$5,438,059
61 Educational svcs	\$0	\$11,834	\$939,031	\$950,866
62 Health & social services	\$0	\$11,174	\$8,616,048	\$8,627,222
71 Arts- entertainment & recreation	\$163,445,928	\$1,437,207	\$754,587	\$165,637,721
72 Accomodation & food services	\$26,507,088	\$1,282,400	\$2,713,014	\$30,502,502
81 Other services	\$0	\$2,080,363	\$2,493,836	\$4,574,199
92 Government & non NAICs	\$0	\$898,384	\$452,242	\$1,350,626
TOTAL	\$191,079,742	\$47,110,667	\$50,064,724	\$288,255,133
Source: IMPLAN				

TOTAL JOBS

The table below summarizes the net total FTE employment growth that could be generated as a result of the operation of a reduced-scale casino on the Historic Rancheria. Based on GMA's staffing models, together with input from Boyd Gaming, GMA projects direct FTE employment to equate to 1,477 jobs. An additional 291 jobs are projected to be generated through indirect impacts and 327 through induced impacts. In total, the operation of a reduced-scale casino on the Historic Rancheria site is projected to generate 2,095 jobs.



Alternative E: Total Annual Employment Impact from Casino Operations by Industry

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	1
21 Mining	0	0	0	0
22 Utilities	0	2	1	2
23 Construction	0	5	2	6
31-33 Manufacturing	0	4	1	5
42 Wholesale Trade	0	5	10	15
44-45 Retail trade	32	2	69	103
48-49 Transportation & Warehousing	0	9	6	15
51 Information	0	23	6	29
52 Finance & insurance	0	16	20	36
53 Real estate & rental	0	15	17	32
54 Professional- scientific & tech svcs	0	72	12	84
55 Management of companies	0	16	1	17
56 Administrative & waste services	0	60	16	75
61 Educational svcs	0	0	12	13
62 Health & social services	0	0	67	67
71 Arts- entertainment & recreation	1,035	17	11	1,063
72 Accommodation & food services	410	18	39	468
81 Other services	0	20	34	54
92 Government & non NAICs	0	7	3	9
TOTAL	1,477	291	327	2,095

Source: IMPLAN

As evident from the table above, there are nearly 620 jobs that will be created outside of the casino through indirect and induced spending. As could be expected, a stand-alone casino at the Historic Rancheria site would impact similar industries through indirect and induced spending as one would in Galt. Based on the IMPLAN results, GMA notes that the major industries that will be indirectly impacted will be business support services, wholesale trade, food and drinking places, advertising services and several industry categories related to health care (ranging from doctors' offices to elderly care facilities).

TOTAL LABOR INCOME

The total new labor income that could be generated annually as a result of reduced-scale casino operations in Alternative E is summarized in the following table. As a result of the creation of the net new direct jobs, \$71.0 million in annual labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$17.7 million, while incremental regional consumption attributable to these direct and indirect earnings are projected to create an induced impact of \$17.0 million. As a result, a reduced-scale casino on the Historic Rancheria site could sustain growth in total regional labor income of \$105.7 million.



Alternative E: Total Annual Labor Income Impact from Casino Operations by Industry

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$23,450	\$51,651	\$75,100
21 Mining	\$0	\$7,561	\$4,350	\$11,911
22 Utilities	\$0	\$312,317	\$120,248	\$432,565
23 Construction	\$0	\$359,826	\$121,156	\$480,982
31-33 Manufacturing	\$0	\$256,024	\$114,406	\$370,431
42 Wholesale Trade	\$0	\$392,814	\$779,593	\$1,172,407
44-45 Retail trade	\$910,034	\$90,657	\$2,970,421	\$3,971,112
48-49 Transportation & Warehousing	\$0	\$632,812	\$449,358	\$1,082,170
51 Information	\$0	\$1,700,727	\$420,413	\$2,121,141
52 Finance & insurance	\$0	\$1,355,467	\$1,593,755	\$2,949,222
53 Real estate & rental	\$0	\$253,444	\$269,188	\$522,633
54 Professional- scientific & tech svcs	\$0	\$5,132,432	\$853,912	\$5,986,343
55 Management of companies	\$0	\$1,729,217	\$135,177	\$1,864,394
56 Administrative & waste services	\$0	\$2,370,304	\$629,278	\$2,999,582
61 Educational svcs	\$0	\$6,303	\$494,107	\$500,410
62 Health & social services	\$0	\$6,010	\$4,996,726	\$5,002,736
71 Arts- entertainment & recreation	\$55,455,031	\$446,670	\$291,346	\$56,193,047
72 Accomodation & food services	\$14,680,347	\$472,149	\$999,838	\$16,152,334
81 Other services	\$0	\$1,501,549	\$1,427,710	\$2,929,259
92 Government & non NAICs	\$0	\$662,887	\$258,871	\$921,758
TOTAL	\$71,045,413	\$17,712,619	\$16,981,504	\$105,739,535

Source: IMPLAN

TOTAL FISCAL IMPACT

There will be fiscal impacts resulting from the construction and operation of the casino at the local, county, state and federal levels from a variety of taxes. In some cases there may be tax exemptions due to purchases by the Rancheria. The IMPLAN model creates a projection of the total taxes, such that these discounts are not reflected in the resulting tables. State and local taxes during the construction phase are projected to total \$10.7 million, the majority of which would be taxes on construction materials and property taxes. An additional \$19.0 million would be paid in federal taxes. The following tables detail tax revenues during the construction phase for Alternative E.



Alternative E: State and Local Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$19,699	\$19,699
Social Ins Tax- Employee Contribution	\$259,978	\$0	\$0	\$0	\$0	\$259,978
Social Ins Tax- Employer Contribution	\$511,143	\$0	\$0	\$0	\$0	\$511,143
Tax on Production and Imports: Sales Tax	\$0	\$0	\$3,118,286	\$0	\$0	\$3,118,286
Tax on Production and Imports: Property Tax	\$0	\$0	\$2,753,290	\$0	\$0	\$2,753,290
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$68,149	\$0	\$0	\$68,149
Tax on Production and Imports: Severance Tax	\$0	\$0	\$1,979	\$0	\$0	\$1,979
Tax on Production and Imports: Other Taxes	\$0	\$0	\$465,167	\$0	\$0	\$465,167
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$42,776	\$0	\$0	\$42,776
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$413,500	\$413,500
Personal Tax: Income Tax	\$0	\$0	\$0	\$2,505,726	\$0	\$2,505,726
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$352,016	\$0	\$352,016
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$105,838	\$0	\$105,838
Personal Tax: Property Taxes	\$0	\$0	\$0	\$39,697	\$0	\$39,697
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$24,156	\$0	\$24,156
Total State and Local Tax	\$771,120	\$0	\$6,449,647	\$3,027,431	\$433,200	\$10,681,398

Source: IMPLAN

Alternative E: Federal Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$3,745,546	\$639,055	\$0	\$0	\$0	\$4,384,601
Social Ins Tax- Employer Contribution	\$4,881,737	\$0	\$0	\$0	\$0	\$4,881,737
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$545,743	\$0	\$0	\$545,743
Tax on Production and Imports: Custom Duty	\$0	\$0	\$216,360	\$0	\$0	\$216,360
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$62,002	\$0	\$0	\$62,002
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$1,821,339	\$1,821,339
Personal Tax: Income Tax	\$0	\$0	\$0	\$7,115,027	\$0	\$7,115,027
Total Federal Tax	\$8,627,283	\$639,055	\$824,105	\$7,115,027	\$1,821,339	\$19,026,809

Source: IMPLAN

Annually during the operations phase, \$10.0 million in state and local taxes, and \$23.0 million in federal taxes resulting from indirect and induced spending is projected. Sales taxes, property taxes, other taxes, and S/L non-taxes have been adjusted by the ratio of indirect and induced output to the total output at the state and local level. This adjustment reflects the exemption status of direct spending occurring at the facility. There would be additional state and federal tax revenues from incomes of casino workers, not accounted for in the IMPLAN model. To the extent that any purchases made at the casino will be taxable (i.e. if there are taxable retail sales), this would also not be represented in these figures. The following tables detail annual tax revenues during the operations phase for Alternative E.



Alternative E: State and Local Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$46,930	\$46,930
Social Ins Tax- Employee Contribution	\$290,390	\$0	\$0	\$0	\$0	\$290,390
Social Ins Tax- Employer Contribution	\$570,936	\$0	\$0	\$0	\$0	\$570,936
Tax on Production and Imports: Sales Tax	\$0	\$0	\$2,503,357	\$0	\$0	\$2,503,357
Tax on Production and Imports: Property Tax	\$0	\$0	\$2,210,338	\$0	\$0	\$2,210,338
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$162,287	\$0	\$0	\$162,287
Tax on Production and Imports: Severance Tax	\$0	\$0	\$4,712	\$0	\$0	\$4,712
Tax on Production and Imports: Other Taxes	\$0	\$0	\$373,435	\$0	\$0	\$373,435
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$34,341	\$0	\$0	\$34,341
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$985,081	\$985,081
Personal Tax: Income Tax	\$0	\$0	\$0	\$2,400,028	\$0	\$2,400,028
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$337,167	\$0	\$337,167
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$101,373	\$0	\$101,373
Personal Tax: Property Taxes	\$0	\$0	\$0	\$12,818	\$0	\$12,818
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$7,800	\$0	\$7,800
Total State and Local Tax	\$861,326	\$0	\$5,288,470	\$2,859,186	\$1,032,011	\$10,040,993

Source: IMPLAN

Alternative E: Federal Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$4,183,697	\$163,210	\$0	\$0	\$0	\$4,346,907
Social Ins Tax- Employer Contribution	\$5,452,799	\$0	\$0	\$0	\$0	\$5,452,799
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$1,299,618	\$0	\$0	\$1,299,618
Tax on Production and Imports: Custom Duty	\$0	\$0	\$515,233	\$0	\$0	\$515,233
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$147,649	\$0	\$0	\$147,649
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$4,338,974	\$4,338,974
Personal Tax: Income Tax	\$0	\$0	\$0	\$6,814,899	\$0	\$6,814,899
Total Federal Tax	\$9,636,496	\$163,210	\$1,962,500	\$6,814,899	\$4,338,974	\$22,916,079

Source: IMPLAN

POPULATION/LABOR IMPACT

A reduced-scale casino would naturally have a smaller impact than Alternative D. As noted above, a reduced-scale casino on the Historic Rancheria site is projected to generate 2,095 jobs regionally, which would be 544 fewer than in Alternative D. As a result, the project would be clearly beneficial in terms of creating work opportunities but may have a small overall impact on the unemployment rate.



VII. ALTERNATIVE F – PREFERRED SCALE AT MALL SITE

This scenario addresses the economic impact associated with developing a preferred-scale casino resort at the Mall Site in Elk Grove. From a facility sizing and amenity standpoint, this alternative is identical to that of Alternatives A and D, but as with GMA's introduction for Alternative D, the development cost may differ due to a difference in overall parcel size and current state of the land to be developed (i.e. pre-construction costs would be different between the three preferred-scale alternatives). Demand would also naturally be different for this site, resulting in different operational impacts than at the other potential development sites.

GMA recognizes that this site is somewhat centrally located in Sacramento County, relative to the Galt site. As such, when GMA evaluates the impacts at the Sacramento County and San Joaquin County combined level, GMA notes that a much greater percentage of the impacts would accrue to Sacramento County. It is still necessary, however, to use the combined county multipliers in order to reasonably compare the alternatives against each other, as the multipliers for the combined counties are by definition greater than for just one of the counties.

CONSTRUCTION IMPACTS

CONSTRUCTION BUDGET

The following table outlines the projected development cost and parameters for a preferred-scale casino resort on the Mall site, based on input provided to GMA by Boyd Gaming, presented in 2014 dollars. Based on the cost breakdown by element, GMA estimates that \$259 million of the \$319 million development cost will be spent regionally, with the balance being imported FF&E, non-local professional fees or financing costs.

Projected Development Costs	
Construction and Site Work	\$221,218,353
General Conditions and Fee	\$22,748,796
Soft Costs	\$17,361,005
FF&E	\$49,173,222
OS&E	\$8,521,419
Total	\$319,022,795
Source: Boyd Gaming	



TOTAL OUTPUT

The direct impact from construction-related activities and local procurement of FF&E for Alternative F is estimated at \$259.4 million. The indirect outputs resulting from development are estimated at \$66.1 million. The induced output is estimated at \$73.9 million. Overall, GMA projects that a total of approximately \$399.4 million in economic output would be generated within in the Sacramento County and San Joaquin County region during the construction phase of Alternative F. The following table summarizes these benefits, in 2014 dollars.

Alternative F: Total Output from Casino Resort Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$270,432	\$161,897	\$432,328
21 Mining	\$0	\$128,645	\$63,911	\$192,556
22 Utilities	\$0	\$888,260	\$976,420	\$1,864,680
23 Construction	\$243,967,138	\$614,538	\$438,293	\$245,019,969
31-33 Manufacturing	\$9,474,954	\$7,299,183	\$1,236,096	\$18,010,233
42 Wholesale Trade	\$933,503	\$6,300,040	\$3,348,759	\$10,582,302
44-45 Retail trade	\$0	\$1,307,436	\$9,468,230	\$10,775,666
48-49 Transportation & Warehousing	\$0	\$2,550,102	\$1,420,913	\$3,971,015
51 Information	\$0	\$5,603,532	\$3,624,210	\$9,227,742
52 Finance & insurance	\$0	\$6,377,342	\$7,754,411	\$14,131,753
53 Real estate & rental	\$0	\$4,715,818	\$17,455,814	\$22,171,632
54 Professional- scientific & tech svcs	\$4,992,201	\$20,301,852	\$2,738,045	\$28,032,097
55 Management of companies	\$0	\$1,288,271	\$412,397	\$1,700,668
56 Administrative & waste services	\$0	\$3,842,522	\$1,644,487	\$5,487,009
61 Educational svcs	\$0	\$15,339	\$1,409,277	\$1,424,616
62 Health & social services	\$0	\$2,081	\$12,259,488	\$12,261,569
71 Arts- entertainment & recreation	\$0	\$296,865	\$1,092,781	\$1,389,646
72 Accomodation & food services	\$0	\$1,119,860	\$3,997,983	\$5,117,844
81 Other services	\$0	\$2,914,858	\$3,704,120	\$6,618,978
92 Government & non NAICs	\$0	\$289,974	\$655,458	\$945,432
TOTAL	\$259,367,796	\$66,126,950	\$73,862,989	\$399,357,735
Source: IMPLAN				

TOTAL JOBS (MAN-YEARS)

The following table summarizes the number of man-years of employment that could be generated as a result of development of a preferred-scale casino on the Mall site. The direct impact of construction is expected to generate 1,558 man-years of employment. An additional 429 man-years of employment are projected to be generated through indirect impacts and 541 man-years through induced impacts. In total, the construction phase is projected to create 2,528 man-years of employment.



Alternative F: Total Employment Impact from Casino Resort Construction

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	2
21 Mining	0	0	0	0
22 Utilities	0	1	1	2
23 Construction	1,482	4	3	1,489
31-33 Manufacturing	26	23	2	51
42 Wholesale Trade	5	30	16	50
44-45 Retail trade	0	16	115	131
48-49 Transportation & Warehousing	0	18	11	29
51 Information	0	13	10	23
52 Finance & insurance	0	26	33	59
53 Real estate & rental	0	22	27	49
54 Professional- scientific & tech svcs	45	153	19	218
55 Management of companies	0	6	2	9
56 Administrative & waste services	0	62	26	88
61 Educational svcs	0	0	21	21
62 Health & social services	0	0	111	111
71 Arts- entertainment & recreation	0	5	19	23
72 Accommodation & food services	0	18	65	83
81 Other services	0	29	56	85
92 Government & non NAICs	0	2	4	7
TOTAL	1,558	429	541	2,528

Source: IMPLAN

The jobs created during the construction process will be in a variety of industries, naturally led by construction-related employment. The induced and indirect jobs created would naturally be in the same industries as the other casino resort construction alternatives. Major industry sectors for which new jobs will be created include architectural, engineering and related services, followed by food service and drinking places, wholesale trade businesses, real estate establishments and employment services. Consulting services, ranging from environmental analysis to specialized design services, also can expect job creation from this alternative.

TOTAL LABOR INCOME

The total labor income that will be generated during the construction phase in Alternative F is summarized in the following table. As a result of the creation of the direct jobs, \$104.4 million in labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$26.7 million. Incremental regional



consumption attributable to these earnings is projected to create an induced impact of \$25.4 million in regional earnings, for a total regional labor income growth of over \$156.5 million.

Alternative F: Household Earnings Impact from Casino Resort Construction				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$85,085	\$76,901	\$161,986
21 Mining	\$0	\$14,637	\$6,452	\$21,089
22 Utilities	\$0	\$160,165	\$178,105	\$338,270
23 Construction	\$100,637,196	\$275,496	\$180,751	\$101,093,443
31-33 Manufacturing	\$1,009,488	\$1,558,534	\$170,346	\$2,738,368
42 Wholesale Trade	\$325,774	\$2,165,055	\$1,150,826	\$3,641,654
44-45 Retail trade	\$0	\$634,571	\$4,448,980	\$5,083,551
48-49 Transportation & Warehousing	\$0	\$1,147,158	\$673,717	\$1,820,875
51 Information	\$0	\$927,072	\$625,407	\$1,552,480
52 Finance & insurance	\$0	\$1,615,692	\$2,389,466	\$4,005,158
53 Real estate & rental	\$0	\$642,926	\$396,344	\$1,039,271
54 Professional- scientific & tech svcs	\$2,392,856	\$11,908,777	\$1,278,076	\$15,579,710
55 Management of companies	\$0	\$628,769	\$201,279	\$830,049
56 Administrative & waste services	\$0	\$2,297,034	\$939,053	\$3,236,087
61 Educational svcs	\$0	\$8,180	\$752,929	\$761,109
62 Health & social services	\$0	\$1,146	\$7,426,792	\$7,427,938
71 Arts- entertainment & recreation	\$0	\$122,452	\$437,308	\$559,759
72 Accomodation & food services	\$0	\$417,523	\$1,493,347	\$1,910,870
81 Other services	\$0	\$1,946,266	\$2,138,395	\$4,084,661
92 Government & non NAICs	\$0	\$181,866	\$386,805	\$568,670
TOTAL	\$104,365,315	\$26,738,405	\$25,351,278	\$156,454,998
<i>Source: IMPLAN</i>				

OPERATIONAL IMPACTS

Based on Boyd Gaming's revenue projections for Alternative F for gaming and non-gaming activities, as well as GMA's projected substitution effects relative to Cache Creek and Thunder Valley, GMA estimated the net impact from ongoing operations. Boyd Gaming projects gross casino resort revenues of \$453 million for this location, comparable to that of Alternative A. Substitution effects are projected to net this total down to \$397 million. A casino resort at the Wilton Rancheria site is projected to employ a full-time equivalent of 2,031 persons.

TOTAL OUTPUTS

The direct impact from Alternative F casino and ancillary amenity operation is estimated at \$288 million, net of substitution effects at Cache Creek and Thunder Valley. The net indirect outputs resulting from operation are estimated at \$71 million. Increased consumption



attributable to the direct and indirect outputs is projected to induce \$67 million of output. Overall, GMA projects that approximately \$427 million in economic output would be generated within in the Sacramento County and San Joaquin County region annually if a preferred-scale casino at the Mall Site in Elk Grove is operational, in 2019 dollars. The following tables summarize these benefits.

Alternative F: Total Annual Output Economic Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$113,225	\$137,855	\$251,080
21 Mining	\$0	\$125,581	\$62,097	\$187,678
22 Utilities	\$0	\$2,599,220	\$886,904	\$3,486,123
23 Construction	\$0	\$1,209,957	\$380,930	\$1,590,887
31-33 Manufacturing	\$0	\$2,041,357	\$1,083,465	\$3,124,822
42 Wholesale Trade	\$0	\$1,575,048	\$2,866,302	\$4,441,349
44-45 Retail trade	\$1,692,644	\$270,357	\$8,321,058	\$10,284,059
48-49 Transportation & Warehousing	\$0	\$1,832,457	\$1,264,335	\$3,096,792
51 Information	\$0	\$10,116,397	\$3,235,725	\$13,352,122
52 Finance & insurance	\$0	\$6,189,884	\$7,010,308	\$13,200,193
53 Real estate & rental	\$0	\$5,497,930	\$16,204,915	\$21,702,845
54 Professional- scientific & tech svcs	\$0	\$18,921,920	\$2,597,517	\$21,519,437
55 Management of companies	\$0	\$5,624,470	\$390,884	\$6,015,354
56 Administrative & waste services	\$0	\$6,637,945	\$1,514,062	\$8,152,007
61 Educational svcs	\$0	\$17,879	\$1,266,321	\$1,284,200
62 Health & social services	\$0	\$16,729	\$11,612,164	\$11,628,893
71 Arts- entertainment & recreation	\$244,491,105	\$2,160,711	\$1,017,220	\$247,669,036
72 Accomodation & food services	\$41,999,275	\$2,004,329	\$3,656,840	\$47,660,444
81 Other services	\$0	\$3,152,346	\$3,361,631	\$6,513,976
92 Government & non NAICs	\$0	\$1,372,974	\$609,549	\$1,982,522
TOTAL	\$288,183,024	\$71,480,716	\$67,480,081	\$427,143,820
Source: IMPLAN				

TOTAL JOBS

The following tables summarize the net total FTE employment growth that could be generated as a result of the operation of a preferred-scale casino at the Mall Site, as well as the industries affected by the indirect and induced impacts. Based on GMA's staffing models, together with input from Boyd Gaming, GMA projects direct FTE employment to equate to 2,031 jobs. An additional 442 jobs are projected to be generated through indirect impacts and 440 through induced impacts. In total, the operation of an Alternative F preferred-scale casino at the Mall Site in Elk Grove is projected to generate 2,914 jobs.



Alternative F: Total Annual Employment Impact from Casino Resort Operations by Industry				
	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	0	1	1	2
21 Mining	0	0	0	0
22 Utilities	0	3	1	4
23 Construction	0	7	2	10
31-33 Manufacturing	0	6	2	8
42 Wholesale Trade	0	7	13	20
44-45 Retail trade	48	3	93	144
48-49 Transportation & Warehousing	0	13	9	22
51 Information	0	35	8	43
52 Finance & insurance	0	24	27	51
53 Real estate & rental	0	22	22	45
54 Professional- scientific & tech svcs	0	109	16	125
55 Management of companies	0	24	2	26
56 Administrative & waste services	0	92	21	112
61 Educational svcs	0	0	17	17
62 Health & social services	0	0	91	91
71 Arts- entertainment & recreation	1,257	26	15	1,298
72 Accomodation & food services	726	29	53	808
81 Other services	0	30	45	76
92 Government & non NAICs	0	10	4	14
TOTAL	2,031	442	440	2,914
Source: IMPLAN				

As evident from the table above, there are nearly 890 jobs that will be created outside of the casino resort through indirect and induced spending. As could be expected, a casino resort in Elk Grove would impact similar industries through indirect and induced spending as one would in Galt or on the Historic Rancheria site. Based on the IMPLAN results, GMA notes that the major industries that will be indirectly impacted will be business support services, wholesale trade, food and drinking places, advertising services and several industry categories related to health care (ranging from doctors' offices to elderly care facilities).

TOTAL LABOR INCOME

The total new labor income that could be generated annually as a result of the operation of a preferred-scale casino at the Mall Site in Elk Grove in Alternative F is summarized in the following tables. As a result of the creation of the net new direct jobs, \$93 million in annual labor income is projected to accrue to Sacramento County and San Joaquin County residents. Indirect wages in other sectors are projected to total \$27 million, while incremental regional consumption attributable to these direct and indirect earnings is projected to create an induced impact of \$23 million. As a result, a preferred-scale casino at the Mall Site in Elk Grove could sustain growth in total regional labor income of \$142 million, in 2019 dollars.



Alternative F: Total Annual Labor Income Impact from Casino Resort Operations by Industry

	Direct	Indirect	Induced	TOTAL
11 Ag, Forestry, Fish & Hunting	\$0	\$34,455	\$69,614	\$104,070
21 Mining	\$0	\$11,672	\$5,863	\$17,535
22 Utilities	\$0	\$478,736	\$162,050	\$640,785
23 Construction	\$0	\$563,922	\$163,301	\$727,223
31-33 Manufacturing	\$0	\$382,101	\$154,196	\$536,297
42 Wholesale Trade	\$0	\$577,261	\$1,050,510	\$1,627,771
44-45 Retail trade	\$1,379,635	\$134,346	\$4,004,079	\$5,518,061
48-49 Transportation & Warehousing	\$0	\$953,728	\$605,740	\$1,559,468
51 Information	\$0	\$2,595,843	\$566,618	\$3,162,461
52 Finance & insurance	\$0	\$2,052,440	\$2,148,402	\$4,200,843
53 Real estate & rental	\$0	\$381,191	\$362,718	\$743,909
54 Professional- scientific & tech svcs	\$0	\$7,763,854	\$1,151,039	\$8,914,893
55 Management of companies	\$0	\$2,621,565	\$182,191	\$2,803,756
56 Administrative & waste services	\$0	\$3,639,410	\$848,181	\$4,487,591
61 Educational svcs	\$0	\$9,523	\$666,323	\$675,846
62 Health & social services	\$0	\$8,998	\$6,734,275	\$6,743,273
71 Arts- entertainment & recreation	\$67,727,107	\$672,874	\$392,748	\$68,792,730
72 Accomodation & food services	\$23,582,492	\$738,019	\$1,347,670	\$25,668,180
81 Other services	\$0	\$2,274,039	\$1,924,527	\$4,198,567
92 Government & non NAICs	\$0	\$1,009,926	\$348,934	\$1,358,860
TOTAL	\$92,689,234	\$26,903,904	\$22,888,981	\$142,482,119

Source: IMPLAN

TOTAL FISCAL IMPACT

There will be fiscal impacts resulting from the construction and operation of the casino resort at the local, county, state and federal levels from a variety of taxes. In some cases there may be tax exemptions due to purchases by the Rancheria. The IMPLAN model creates a projection of the total taxes, such that these discounts are not reflected in the resulting tables. State and local taxes during the construction phase are projected to total \$15.5 million, the majority of which would be taxes on construction materials and property. An additional \$27.6 million would be paid in federal taxes. The following tables detail tax revenues during the construction phase for Alternative F.



Alternative F: State and Local Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$29,639	\$29,639
Social Ins Tax- Employee Contribution	\$376,209	\$0	\$0	\$0	\$0	\$376,209
Social Ins Tax- Employer Contribution	\$739,665	\$0	\$0	\$0	\$0	\$739,665
Tax on Production and Imports: Sales Tax	\$0	\$0	\$4,520,423	\$0	\$0	\$4,520,423
Tax on Production and Imports: Property Tax	\$0	\$0	\$3,991,306	\$0	\$0	\$3,991,306
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$98,792	\$0	\$0	\$98,792
Tax on Production and Imports: Severance Tax	\$0	\$0	\$2,868	\$0	\$0	\$2,868
Tax on Production and Imports: Other Taxes	\$0	\$0	\$674,329	\$0	\$0	\$674,329
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$62,011	\$0	\$0	\$62,011
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$622,136	\$622,136
Personal Tax: Income Tax	\$0	\$0	\$0	\$3,623,923	\$0	\$3,623,923
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$509,105	\$0	\$509,105
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$153,068	\$0	\$153,068
Personal Tax: Property Taxes	\$0	\$0	\$0	\$57,412	\$0	\$57,412
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$34,936	\$0	\$34,936
Total State and Local Tax	\$1,115,874	\$0	\$9,349,729	\$4,378,444	\$651,775	\$15,495,822

Source: IMPLAN

Alternative F: Federal Tax Revenue During Construction Phase

	Employee compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$5,420,111	\$921,912	\$0	\$0	\$0	\$6,342,023
Social Ins Tax- Employer Contribution	\$7,064,272	\$0	\$0	\$0	\$0	\$7,064,272
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$791,136	\$0	\$0	\$791,136
Tax on Production and Imports: Custom Duty	\$0	\$0	\$313,646	\$0	\$0	\$313,646
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$89,881	\$0	\$0	\$89,881
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$2,740,313	\$2,740,313
Personal Tax: Income Tax	\$0	\$0	\$0	\$10,290,158	\$0	\$10,290,158
Total Federal Tax	\$12,484,383	\$921,912	\$1,194,663	\$10,290,158	\$2,740,313	\$27,631,429

Source: IMPLAN

Annually during the operations phase, \$14.0 million in state and local taxes, and \$31.7 million in federal taxes resulting from indirect and induced spending are projected. Sales taxes, property taxes, other taxes, and S/L non-taxes have been adjusted by the ratio of indirect and induced output to the total output at the state and local level. This adjustment reflects the exemption status of direct spending occurring at the facility. There would be additional state and federal tax revenues from incomes of casino resort workers, not accounted for in the IMPLAN model. To the extent that any purchases made at the resort will be taxable (i.e. if a bed occupancy tax is considered), this would also not be represented in these figures. The following tables detail annual tax revenues during the operations phase for Alternative F.



Alternative F: State and Local Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends	\$0	\$0	\$0	\$0	\$69,459	\$69,459
Social Ins Tax- Employee Contribution	\$390,130	\$0	\$0	\$0	\$0	\$390,130
Social Ins Tax- Employer Contribution	\$767,036	\$0	\$0	\$0	\$0	\$767,036
Tax on Production and Imports: Sales Tax	\$0	\$0	\$3,549,663	\$0	\$0	\$3,549,663
Tax on Production and Imports: Property Tax	\$0	\$0	\$3,134,173	\$0	\$0	\$3,134,173
Tax on Production and Imports: Motor Vehicle Lic	\$0	\$0	\$238,457	\$0	\$0	\$238,457
Tax on Production and Imports: Severance Tax	\$0	\$0	\$6,923	\$0	\$0	\$6,923
Tax on Production and Imports: Other Taxes	\$0	\$0	\$529,517	\$0	\$0	\$529,517
Tax on Production and Imports: S/L NonTaxes	\$0	\$0	\$48,694	\$0	\$0	\$48,694
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$1,457,966	\$1,457,966
Personal Tax: Income Tax	\$0	\$0	\$0	\$3,235,580	\$0	\$3,235,580
Personal Tax: NonTaxes (Fines- Fees	\$0	\$0	\$0	\$454,549	\$0	\$454,549
Personal Tax: Motor Vehicle License	\$0	\$0	\$0	\$136,665	\$0	\$136,665
Personal Tax: Property Taxes	\$0	\$0	\$0	\$16,676	\$0	\$16,676
Personal Tax: Other Tax (Fish/Hunt)	\$0	\$0	\$0	\$10,148	\$0	\$10,148
Total State and Local Tax	\$1,157,166	\$0	\$7,507,427	\$3,853,617	\$1,527,425	\$14,045,636

Source: IMPLAN

Alternative F: Federal Tax Revenue During Operations Phase

	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Social Ins Tax- Employee Contribution	\$5,620,676	\$234,748	\$0	\$0	\$0	\$5,855,424
Social Ins Tax- Employer Contribution	\$7,325,678	\$0	\$0	\$0	\$0	\$7,325,678
Tax on Production and Imports: Excise Taxes	\$0	\$0	\$1,909,595	\$0	\$0	\$1,909,595
Tax on Production and Imports: Custom Duty	\$0	\$0	\$757,058	\$0	\$0	\$757,058
Tax on Production and Imports: Fed NonTaxes	\$0	\$0	\$216,948	\$0	\$0	\$216,948
Corporate Profits Tax	\$0	\$0	\$0	\$0	\$6,421,880	\$6,421,880
Personal Tax: Income Tax	\$0	\$0	\$0	\$9,187,456	\$0	\$9,187,456
Total Federal Tax	\$12,946,354	\$234,748	\$2,883,601	\$9,187,456	\$6,421,880	\$31,674,039

Source: IMPLAN

POPULATION/LABOR IMPACT

The impact of this alternative is nearly identical to that of Alternative A, with the possible exception that the ratio of jobs for Sacramento County residents relative to San Joaquin County residents may be higher, given that the Alternative F site is located more northerly into Sacramento County. Nevertheless, the job impact figures are nearly identical. The total jobs impact once operational, including indirect and induced jobs, is projected to be just over 2,914 (the highest of the six alternatives, 34 greater than Alternative A). This alternative could potentially lower the regional unemployment rate by 0.3 percent (a slightly greater impact than in Alternative A); as with the other alternatives GMA perceives that this level of impact would not have a negative impact that would otherwise result if there was a need for workers to move into the region to support the labor demands. Additionally, as noted in the other alternatives,



GMA finds that the change in local unemployment levels are generally smaller than the potential for reasons mentioned above, such that regional unemployment rate changes may be muted.



VIII. CONCLUSION

GMA completed an Economic Impact Analysis pertaining to the construction and operation of new enterprises considering six possible alternatives at three potential sites, five of which involved the development of a casino. The lone non-casino alternative is Alternative C, which addresses the impacts resulting from a mall at the Preferred Site in Galt.

Construction costs for a casino resort at either the Preferred Site (Alternative A, in Galt) or on the Historic Rancheria site (Alternative D) are relatively identical, approximately \$345 million, of which approximately \$285 million is projected to be spent in the Sacramento County and San Joaquin County areas (the Historic Reservation site would be approximately \$5 million more expensive to develop). A casino resort in Elk Grove (Alternative F) would be less costly, approximately \$319 million (of which \$259 would be spent locally), due to the fact that site preparation work would be less necessary at the location.

Construction costs for a stand-alone at either the Preferred Site (Alternative B) or on the Historic Rancheria site (Alternative E) are also relatively identical, approximately \$228 million, of which approximately \$172 million is projected to be spent in the Sacramento County and San Joaquin County areas (the Historic Rancheria site would be approximately \$5 million more expensive to develop).

The development of a mall at the Preferred Site (Alternative C) is projected to be more expensive than a stand-alone casino but less expensive than a casino resort. A total development cost of \$267 million is projected, of which \$249 million would be spent locally.

The following table demonstrates what each of these six alternatives generate in terms of economic impacts once the ripple impacts of indirect and induced spending flow through the region. The ranking of Output, Labor and Earnings mirrors that of the development budgets.

Construction Economic Impact of Six Scenarios			
	Output	Earnings	Jobs
Alternative A	\$434,368,693	\$170,405,045	2,751
Alternative B	\$262,358,432	\$104,164,373	1,681
Alternative C	\$382,831,817	\$149,870,279	2,423
Alternative D	\$444,595,089	\$174,481,115	2,815
Alternative E	\$272,415,568	\$108,171,619	1,745
Alternative F	\$399,357,735	\$156,454,998	2,528
Source: GMA			



From an operational standpoint for casinos and casino resorts, GMA projects the Preferred Site and the Elk Grove Site would have net impacts that are nearly identical in terms of Output, Jobs and Household Earnings at the preferred scale (Alternatives A and F). GMA also projects similar economic impacts resulting from a reduced-scale project at the Preferred site and a preferred-scale project at the Historic Rancheria site (Alternatives B and D). However, these benefits reflect approximately 83 percent of the output, 87 percent of the household earnings and 87 percent of the job growth as in Alternatives A and F. Finally, Alternative E offers the region the least in terms of overall economic stimulus from a casino development standpoint. The output from Alternative E would be 68 percent of that of Alternatives A and F, 75 percent of the earnings potential for Alternatives A and F, and 72 percent of the job growth.

Alternative C provides a different dynamic in terms of output, jobs growth and earnings, with high/low ranges estimated in the analysis. As evident from the table, it would clearly not be the optimal use for the site.

Operational Economic Impact of Six Scenarios			
	Output	Earnings	Jobs
Alternative A	\$415,081,651	\$141,470,265	2,879
Alternative B	\$332,939,179	\$119,301,112	2,380
Alternative C Low	\$35,110,837	\$28,588,186	707
Alternative C High	\$57,841,970	\$34,317,910	844
Alternative D	\$361,895,095	\$129,082,396	2,639
Alternative E	\$288,255,133	\$105,739,535	2,095
Alternative F	\$427,143,820	\$142,482,119	2,914
Source: GMA			



IX. DISCLAIMER

Specific information found within this report contains future estimates, projections and/or assumptions/statements. Global Market Advisors has based these future estimates, projections and/or assumptions/statements on assumed and reasonable expectations of future events. Although they are assumed to be reasonable, these future estimates, projections and/or assumptions/statements may not come to fruition. However, these future estimates, projections and/or assumptions/statements are based upon extensive knowledge of the subject environment, reasonable beliefs about expectations for the future of the subject environment, historical and existing trends, assumptions and strategies. As such, GMA has utilized phrasing including words like “would,” “could,” “should,” “expect,” “project,” and “estimate” in this report. Statements found in this report reflect GMA’s current expectations as of the date of this report.

GMA considers the expectations and estimates provided in this report reasonable. However, it is possible that these expectations and estimates are proven false in the future. Global Market Advisors has made its best effort to secure accurate information; however, some of the information contained in this report was received from third parties, whose sources Global Market Advisors did not verify. As it is not possible to predict future outcomes with absolute accuracy, these projections should be treated only as estimates of potential future results. Actual results may differ due to unforeseen events. Consequently, Global Market Advisors assumes no liability for the accuracy of these projections, to the extent that such projections rely on inaccurate estimates, statements or assumptions.



X. APPENDICES

FIRM QUALIFICATIONS

Global Market Advisors provides clients with market feasibility studies, primary research, economic impact studies, due diligence, payroll control, operations analysis, business and marketing plan development, and player reward program design for the gaming, hospitality and tourism industries. The principals and associates of GMA have hands-on experience in nearly all aspects of the gaming industry including domestic and international operations, project development, marketing expertise, and detailed market analysis. More specifically, GMA has extensive expertise in creating economic impact studies, detailing the expected economic impact of casino resort developments in particular. In North America alone, GMA has completed dozens of economic impact studies.

Global Market Advisors is a (Nevada) Limited Liability Corporation with offices in Las Vegas, NV, Denver, CO, Taipei, Taiwan and Bangkok, Thailand. Below is the contact information for the company's partners.

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STEVEN M. GALLAWAY

Steve Gallaway has had a life-long exposure to the gaming industry with the past twelve years focusing on consulting in the gaming industry. During his career, he has had hands-on experience in operations management, organizational development, project development, business development, process improvement, contract negotiations, customer service training and employee development. Frequently Steve is engaged by clients to provide expert witness testimony in gaming industry related litigation. Based on his broad range of knowledge and experience in hospitality, Mr. Gallaway is known throughout the industry for his knowledge of both domestic and international markets.

Mr. Gallaway is a visiting lecturer at the School of Continuing Education at the University of Nevada, Reno where he teaches a class on casino feasibility analysis. In the gaming industry,



many are familiar with Steve through his articles published in Global Gaming Business Magazine and Indian Gaming Magazine. Steve is also a leader with Gerson Lehrman Group Councils, as such providing dozens of Wall St. and international investment firms with advice on gaming markets and gaming investments.

Currently, Mr. Gallaway is a partner with Global Market Advisors, formerly known as Gaming Market Advisors where Steve has been a founding principal since 2005. Prior to GMA, Mr. Gallaway was a Senior Vice President of The Innovation Group, another consulting firm that provides services to the gaming and hospitality industry. Overall, Steve has completed over 300 feasibility studies with a strong focus in Native American gaming operations, public bond transactions, and international gaming developments. Steve has worked with over 75 Native American Tribes from California to Arizona to Florida. Many of these Native American engagements have resulted in Mr. Gallaway assisting his clients in obtaining the necessary funding to allow their projects to move forward.

Internationally, Mr. Gallaway has worked on more than 50 projects in Western and Eastern Europe, Asia, the Bahamas, the Caribbean, Canada, and Mexico. The depth of his experience in Mexico prompted an invitation to speak at G2E (Global Gaming Expo) to discuss the future of gaming in Mexico and at the 2012 Asian Gaming Congress on the feasibility of gaming development in Vladivostok, Russia. Other experience in gaming consulting includes an extensive amount of primary research, operational reviews, completing due diligence for clients on potential gaming acquisitions, and assisting casinos in analyzing and maximizing the utility of their player database.

ANDREW M. KLEBANOW

Andrew Klebanow specializes in Marketing Plan and Business Plan Development, Market Research, Casino Property Analysis, Service Quality Measurement Programs and Player Rewards Program Design exclusive to the gaming and hospitality industries.

Mr. Klebanow has worked in the hospitality industry since 1975 and in the fields of marketing and business planning since 1991. He earned a Bachelor of Arts degree at New York University and Master's Degree in Marketing from Cornell University's School of Hotel Administration. From 1991-1993, he was Director of Marketing at Sahara Gaming Corporation's Hacienda Hotel and Casino and Director of Marketing and Planning for the parent company's Development Group.

Mr. Klebanow also worked as Director of Marketing for Alliance Gaming Corporation where he conducted the initial market research, consumer testing and marketing plan development for



Gamblers Bonus, the industry's first cardless slot club for the company's Nevada slot route division. Gamblers Bonus was the first player tracking system that allowed customers to redeem bonus points for game credits at the machine.

As a consultant to Horseshoe Gaming, Klebanow conducted an analysis of the gaming market in Tunica, MS and subsequently prepared its pre-opening business and marketing plans. In addition, Mr. Klebanow wrote the opening marketing plan for the Horseshoe Casino in Bossier City, LA.

From 1996 to 1999, Klebanow was Vice President of Marketing for Santa Fe Gaming Corporation, where he oversaw the marketing efforts for the Santa Fe Hotel and Casino in Las Vegas and the Pioneer Hotel and Gambling Hall in Laughlin NV. During his tenure at Santa Fe Gaming, his team repositioned both casinos' player rewards programs to better meet the needs of the business. His most recent position was that of Vice President of Marketing at Sam's Town Hotel and Gambling Hall, where he oversaw the repositioning of the 22-year-old gaming property and the re-branding of its player rewards program.

Mr. Klebanow formed his own consulting firm in 2001 and, together with Mr. Gallaway, formed Gaming Market Advisors in 2005. In 2013, Gaming Market Advisors acquired the consulting firm Galaviz and Co, and rebranded Global Market Advisors, where Mr. Klebanow is a partner today.

Mr. Klebanow is a periodic lecturer at Cornell University's School of Hotel Administration, the University of Nevada Las Vegas and the University of Nevada Reno's School of Continuing Education. He has contributed articles to the Cornell University Hotel and Restaurant Quarterly and the UNLV Hospitality Journal. Mr. Klebanow also authors a column in Indian Gaming Magazine and in the online gaming publication Urbino.net. Mr. Klebanow has written extensively on the subject of player reinvestment and has developed methodologies for calculating a casino's player reinvestment rate. More recently, he spoke at G2E Asia 2010 on the topic tiered player reward programs, in 2011 on the Korean gaming market and in 2012 on the Manila gaming market. In 2013 he spoke at two seminars at the Global Gaming Expo in Las Vegas on an Introduction to Casino Operations and Trends in Asian tourism.

SCOTT FISHER

Dr. Fisher has broad economic expertise which makes him incredibly adept with a wide range of analytical tools. He has performed feasibility studies, market analyses and economic impact assessments for casinos, hotels, golf courses, theme parks, airports, arenas and convention facilities for clients in both the public and private sector throughout the world, including Native



American governments throughout the United States. He frequently prepares operational audits of existing casinos and hotels for the purpose of consulting on departmental inefficiencies. He also performs various asset valuations to evaluate potential property sales, purchases and litigation processes. To determine the ultimate viability of a new property, Dr. Fisher's analyses typically require the preparation of complex, detailed operating ProFormas.

Dr. Fisher's reports played a role in securing financing for some of the world's largest gaming resorts, including the Wynn Resorts and Melco PBL developments in Macau. He has also been active in analyzing the economic impacts of several proposed casino resort developments in New York, for use in the developers' competitive bid packages, as well as to analyze the potential market size and economic impacts that could result from legalizing broad-scale casino resorts in South Florida.

Dr. Fisher has a Ph.D. in Economics from Tulane University with a focus on International Trade, Industrial Organization and Public Finance and an MBA from the Freeman School of Business at Tulane University with a concentration in Finance, with Beta Gamma Sigma honors. Concurrent with the Ph.D. program, Dr. Fisher was an instructor of Public Finance, Law and Economics, Microeconomics and Macroeconomics.

